Annual Information Form

DRONE DELIVERY CANADA CORP.

For the year ended December 31, 2021

Dated as of April 5, 2022

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PRELIMINARY NOTES

This annual information form ("**AIF**") of Drone Delivery Canada Corp. (the "**Company**") is prepared in the form prescribed by National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators. All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated. All information in this AIF is as of December 31, 2021, unless otherwise indicated.

FORWARD-LOOKING INFORMATION

This AIF and the documents incorporated into this AIF contain forward looking statements and forward-looking information within the meaning of applicable Canadian securities laws (such forward looking statements and forward-looking information being collectively hereinafter referred to as "forward-looking statements"). Such forward-looking statements are based on expectations, estimates and projections as at the date of this AIF or the dates of the documents incorporated by reference herein, as applicable. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects", "is expected", "anticipates", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases (including negative and grammatical variations), or stating that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company after the date of this AIF; market position; ability to compete and future financial or operating performance of the Company after the date of this AIF; anticipated developments in the operations of the Company; the timing and amount of funding required to execute the Company's business plans; capital expenditures; the effect on the Company of any changes to existing or new legislation or policy or government regulation; the length of time required to obtain permits, certifications and approvals; the availability of labour; the planned expansion into the United States and other international jurisdictions selected by the Company; estimated budgets; currency fluctuations; requirements for additional capital; limitations on insurance coverage; the timing and possible outcome of litigation in future periods; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the Company's management, as well as on assumptions, which management of the Company believes to be reasonable based on information available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause results, performance or achievements to differ from those expressed or implied by the forward-looking statements, including, without limitation, related to the following: the uncertainty regarding legislation or regulatory framework for commercial drone use in Canada, the United States and other international jurisdictions; operational risks; regulation and permitting; evolving markets; industry growth; uncertainty of new business models; speed of introduction of products to the marketplace; undetected flaws; risks of operation in urban areas; marketing risks; geographical expansion; limited operating history; substantial capital requirements; history of losses; reliance on management and key employees; management of growth; COVID-19 outbreak, risk associated with foreign operations in other countries; risks associated with acquisitions; electronic communication security risks; insurance coverage; tax risk; currency fluctuations; conflicts of interest; competitive markets; uncertainty and adverse changes in the economy; reliance on components and raw materials; change in technology; quality of products and services; maintenance of technology infrastructure; privacy protection; development costs; product defects; insufficient research and development funding; uncertainty related to exportation; legal proceedings; reliance on business partners; protection of intellectual property

rights; infringement by the Company of intellectual property rights; international conflict; resale of shares; market for securities; dividends; and global financial conditions, which are outlined under the heading *"Risk Factors"* in this AIF.

The list of risk factors set out in this AIF is not exhaustive of the factors that may affect any forward-looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results, performance or achievements could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this AIF generally and certain economic and business factors, some of which may be beyond the control of the Company. In addition, global financial and credit markets have experienced significant debt and equity market and commodity price volatility which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Company does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the Company's securityholders should not place undue reliance on forward-looking statements.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated as "Asher Resources Corporation" under the *Business Corporations Act* (British Columbia) on February 2, 2011. Effective June 6, 2016, the Company completed a business combination transaction (the "**Amalgamation**") whereby (i) it changed its name to "Drone Delivery Canada Corp." (the "**Name Change**"), (ii) it consolidated its common shares (the "**Common Shares**") on a 4:1 basis (the "**Consolidation**"), and (iii) its wholly-owned subsidiary 2500527 Ontario Ltd. ("**Subco**") amalgamated with Drone Delivery Canada Inc. ("**Former Drone Inc.**") to form the amalgamated wholly-owned subsidiary of the Company named Drone Delivery Canada Inc. ("**Drone Inc.**").

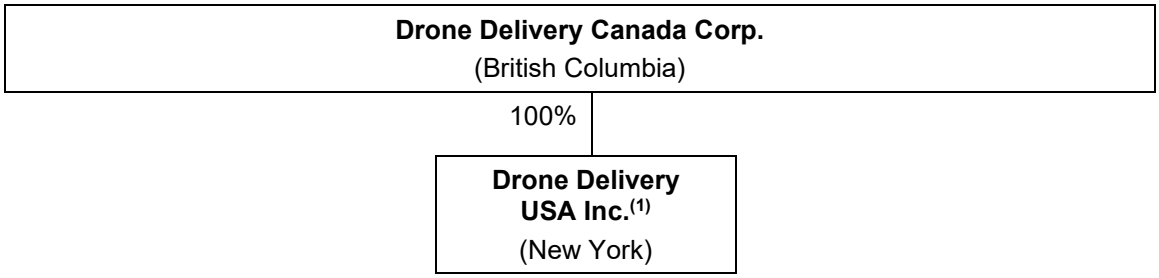
The Company's registered office is located at 1100-736 Granville Street, Vancouver, British Columbia, V6Z 1G3 and its head office is located at 6-6221 Highway 7, Vaughan, Ontario L4H 0R6.

The Company is a reporting issuer in each of the provinces of Canada. The Common Shares are listed for trading on the TSX Venture Exchange ("**TSXV**") under the symbol "FLT" and on the Frankfurt Stock Exchange under the symbol "A2AMGZ" and are quoted on the OTCQX Venture Market in the United States under the symbol "TAKOF".

Inter-corporate Relationships

Set out below is the corporate structure of the Company and its subsidiaries, including the corporate jurisdiction and the percentage of shares of the subsidiary owned, controlled or directed by the Company. Asher Resources US Inc., which was an inactive wholly owned subsidiary of the Company, was dissolved effective June 2nd, 2021.

Drone Delivery Canada Inc., which was the Ontario incorporated wholly owned operating subsidiary of the Company, continued to British Columbia and, effective January 1, 2022, amalgamated with the Company.



Note:

(1) Drone Delivery US Inc. is an inactive subsidiary of the Company with no active business, assets or liabilities.

GENERAL DEVELOPMENT OF THE BUSINESS

The Company is a drone technology company focused on the design, development and implementation of its proprietary turnkey logistics platform for a commercially viable drone delivery system within Canada and internationally. The Company's platform is intended to be used in a Software as a Service ("**SaaS**") business model for government and corporate organizations.

Three Year History

Year ended December 31, 2019

On January 30, 2019, the Company announced that Transport Canada had granted the Company a Compliant Operator Special Flight Operations Certificate ("**SFOC**") approving the Company to commence testing of "the Falcon" cargo delivery drone in Southern Ontario. The Falcon had a lifting capability of 50 pounds of payload and a travel range of 60km.

On February 5, 2019, the Company announced that it would be launching its commercial operations in a 16,000 square foot facility located in Vaughan, Ontario, Canada as commercial operations commence in 2019 (the "**Vaughan Facility**").

On February 11, 2019, the Company unveiled "the Condor" cargo delivery drone. The Condor has an expected lifting capability of 180kg of payload and a potential travel range of up to 200km.

On February 24, 2019, Richard Buzbuzian resigned as a director and officer of the Company, and Kevin Sherkin was appointed as a director to fill the vacancy on the Company's board of directors (the "**Board**"). Mr. Buzbuzian was engaged by the Company as a consultant to provide advisory services in respect of corporate finance and strategic transactions and joined the advisory board of the Company (the "**Advisory Board**"). In connection with the resignation of Mr. Buzbuzian as President of the Company, Mr. Buzbuzian received a lump sum severance payment of $584,000 and entered into a consulting agreement with the Company for ongoing advisory services pursuant to which he will receive compensation of $23,500 per month for a three-year term.

On March 25, 2019, the Company closed a bought-deal prospectus offering underwritten by GMP Securities L.P., Canaccord Genuity Corp. and Echelon Wealth Partners Inc., pursuant to which the Company issued an aggregate of 8,350,000 units ("**Units**") at a price of $1.20 per Unit, for aggregate gross proceeds to the Company of $10,020,000 (the "**March 2019 Financing**"). Each Unit consisted of one Common Share and one-half of one Common Share purchase warrant of the Company (each whole such warrant a "**March 2019 Warrant**"). Each March 2019 Warrant entitled the holder thereof to purchase one Common Share at a price of $1.50 until March 25, 2021. If the volume weighted average price of the Common Shares on the TSXV is equal to or greater than $2.00 for a period of 10 consecutive trading days, then the Company may, within ten business days, accelerate the expiry date of the March 2019 Warrants to the date that is 30 days following the date on which the Company issues notice to all the March 2019 Warrant holders of the new expiry date. In connection with the 2019 Financing, 250,500 compensation options were issued, with each compensation option entitling the holder thereof to acquire one Unit at $1.20 until March 25, 2021. In addition, in connection with the 2019 Financing, the Company granted the underwriters for the March 2019 Financing an over-allotment option to purchase up to an additional 1,252,500 Units at $1.20 per Unit, exercisable in whole or in part, at any time on or prior to April 24, 2019 (the "**March 2019 Over-Allotment Option**").

On March 27, 2019, the Company announced that it appointed Mr. Duncan Card to the Advisory Board.

On April 12, 2019, the Company announced that the underwriters for the March 2019 Financing partially exercised the March 2019 Over-Allotment Option for 344,200 Units for additional proceeds of $482,352. In connection with the exercise of the March 2019 Over-Allotment Option, 23,951 compensation options were issued, with each compensation option entitling the holder thereof to acquire one Unit at $1.20 until March 25, 2021.

On June 4, 2019, the Company announced that it had entered into an agreement with Air Canada effective May 29, 2019 (the "**Air Canada Agreement**") whereby Air Canada Cargo will market, sell and promote the Company's drone delivery services in Canada using Air Canada Cargo's marketing and sales platforms and resources. These routes, which are required to be agreed to by the parties and are subject to the Company obtaining the applicable regulatory approvals, will include timetables, flight schedules, payload capacities, type of drones to be deployed and payment terms. The Company's services will be marketed by Air Canada Cargo as a premium offering and Air Canada Cargo has agreed that it will not use or engage with any other drone delivery service providers. The initial term of the Air Canada Agreement is ten years from the effective date of May 29, 2019.

On June 6, 2019, the Company announced that it was admitted to the Nasdaq Stock Market's International Designation program effective June 6, 2019 under the symbol "OTC – Nasdaq Intl: TAKOF". Member companies of the Nasdaq International Designation are not listed or traded on The Nasdaq Stock Exchange and are not subject to the same regulatory requirements as the companies which are listed on The Nasdaq Stock Exchange.

On June 10, 2019, the Company announced that Tony Di Benedetto resigned as the Chief Executive Officer and a director of the Company and Michael Zahra was appointed in his stead. Mr. Zahra was also appointed as the President of the Company. Mr. Di Benedetto was engaged by the Company as a consultant to provide advisory services in respect of the strategic business development of the Company. In connection with the resignation of Mr. Di Benedetto as the Chief Executive Officer, Mr. Di Benedetto received a lump sum severance payment of $584,000 and entered into a consulting agreement with the Company for ongoing advisory services pursuant to which he will receive compensation of $23,500 per month for a three-year term. In addition, the Company announced the appointment of Vijay Kanwar to the Board.

On June 26, 2019, the Company announced that in connection with the Peel Region Project it successfully completed phase one of its AED on the Fly Pilot with the Peel Region Paramedics and achieved 100% success rate concluding that utilizing the Company's proprietary drone delivery platform to enable rapid first responder technology via drone produces reduced response time. The AED on the Fly Pilot was to determine the effectiveness of delivery of an AED via drone versus a traditional ambulance. To determine this, phase one of the AED on the Fly Pilot consisted of simulating 911 emergency calls in the Township of Caledon in the Region of Peel dispatching the Company's Sparrow drone equipped with specialized first responder payload that included an AED. The delivery time of the Company's Sparrow drone was then compared against the traditional dispatching of first responder paramedics. Several staged 911 calls were then executed and, in all cases, the Company's Sparrow drone arrived on-site ahead of the traditional first responder vehicles. The Company's Sparrow was able to reduce response times on all calls making the AED on the Fly Pilot a success.

On July 9, 2019, the Company announced that it appointed Dr. Sheldon Cheskes to the Advisory Board.

On July 17, 2019, the Company announced that on July 16, 2019, the United States Patent Office granted the Company Patent #: 10,351,239 which covers the Company's proprietary FLYTE management software system along with its drone delivery technology and processes. The patent is directed to aspects of the Company's proprietary FLYTE management which is a core component of the Company's drone delivery platform. Additionally, the patent is also directed to the Company's "RAILWAY IN THE SKY" system that is intended to simplify routing and control of delivery drones particularly in crowded urban areas. The "RAILWAY IN THE SKY" system provides a database for a flight route network that includes a number of route sections that can be selected to provide a desired routing.

On August 30, 2019, the Company announced that it had granted to certain directors, officers, consultants and employees of the Company an aggregate of 5,375,000 options to purchase Common Shares exercisable at a price of $1.00 per Common Share for a period of five years. One-

third of the stock options vest every six months after the date of grant pursuant to the Stock Option Plan.

On September 5, 2019, the Company announced the completion of the Vaughan Facility.

On October 23, 2019, the Company announced that, with the assistance of Air Canada Cargo, it had entered into a commercial agreement dated October 22, 2019 (the "**DSV Agreement**") with DSV Air & Sea Inc. Canada ("**DSV**"), the Canadian arm of the global transport and logistics company DSV Panalpina A/S, to deploy the Company's drone delivery platform for the use of DSV commencing at its new head office and warehouse in Milton, Ontario. Pursuant to the terms of the DSV Agreement, the Company will enable the first of multiple routes and deploy its DroneSpot® takeoff and landing zones as well as additional drone flight infrastructure on DSV sites, and deploy its Sparrow cargo drone, with a capacity of up to 10 pounds. The first route will occur on a defined flight route within DSV's site in Milton, Ontario. All operations will be conducted in accordance with the Canadian Aviation Regulations and Transport Canada flight authorizations. Flights will be remotely monitored by the Company from the Vaughan Facility. Upon the entering into the DSV Agreement, it was expected that the Company would begin providing drone delivery services in the first quarter of 2020, with the potential of 20 or more additional routes being added in 2020. Under the terms of the DSV Agreement, in consideration for the drone delivery services platform that the Company will provide to DSV, DSV will pay the Company a monthly fee for each drone route. The services will be provided by the Company for an initial term of 15 months, with additional successive one-year terms to follow unless the DSV Agreement is formally terminated.

On October 29, 2019, the Company announced that, with the assistance of Air Canada Cargo, it had entered into a commercial agreement dated October 28, 2019 (the "**ERAA Agreement**") with the Edmonton Regional Airports Authority ("**ERAA**"), operating Edmonton International Airport ("**EIA**") and Villeneuve Airport, for the purpose of establishing the world's first airport drone delivery hub, at Edmonton International Airport using the Company's proprietary drone delivery platform. The Company and ERAA will build out flight routes from EIA using the Company's DroneSpot® takeoff and landing zones utilizing the Company's drone flight infrastructure. Leveraging ERAA's expertise in airport operations, the Company and ERAA will implement, promote and market the Company's drone delivery services in this controlled airspace to a multitude of new and existing customers. All operations will be conducted in accordance with the Canadian Aviation Regulations and Transport Canada flight authorizations and will be subject to the Company obtaining all required regulatory approvals. The initial term of the ERAA Agreement is five years with additional successive one-year terms to follow unless the ERAA Agreement is formally terminated.

Year-ended December 31, 2020

On January 29, 2020, the Company announced that it had commenced the implementation of the project contemplated by the DSV Agreement.

On February 21, 2020, the Company announced that it would begin the commercialization of the Condor cargo delivery drone. The Condor has an expected lifting capability of 180kg of payload, a travel range of up to 200km and an operating speed of 120kph. The multi-package payload compartment is designed to carry approximately 20 cubic feet of cargo. The Condor measures 22 feet long, 5 feet wide and 7 feet tall. It has a rotor diameter of approximately 20 feet and is capable of vertical takeoff and landing. The Condor is equipped with the Company's proprietary FLYTE management system which is the same platform used in all of the Company's cargo delivery drones.

On February 28, 2020, the Company announced that it would begin testing of its Robin XL cargo delivery drone. The Robin has an electric power plant, a lifting capability of 25 pounds of payload, a travel range of 60km. The Robin is larger than the Company's Sparrow cargo delivery drone. The Robin is engineered for harsher environments, heavier wind capability and colder temperatures than the Sparrow. The Robin will also feature the option to have automatic cargo deployment, no longer requiring a handler to remove the cargo upon arrival. With this automated payload release option, the Robin will be able to automatically release the cargo at its pre-defined drop off location

and return to its originating point. The requirement for a cargo handler at the receiving side will no longer be required with this cargo deployment system. The Robin is expected to begin commercial testing in Southern Ontario.

On March 23, 2020, the Company announced that the project contemplated by the DSV Agreement had been implemented and was commercially operational.

On March 24, 2020, the Company announced that, as it related to the COVID-19 pandemic, it was considered an "Essential Workplace", in multiple categories, as designated by the Ontario Provincial Government. The Company further announced that the Company's business operations remained ongoing and that it remained diligent and was following all recommendations from Health Canada sources as Canada deals with the COVID-19 pandemic.

On April 14, 2020, the Company announced that it intended to begin the commercial testing of the Condor. This phase of the Company's BVLOS flight testing was going to take place at the Foremost UAS Test Range in Alberta, Canada and was intended to test the long-range and heavy-lift capabilities of the Condor.

On April 22, 2020, the Company announced that on April 21, 2020 the United States Patent Office granted the Company Patent # 10,625,879 which covers aspects of the Company's drone delivery technology and processes relating to controlled access zones for UAV landing and takeoff. The patent is directed to aspects of the Company's proprietary FLYTE management which is a core component of the Company's drone delivery platform. Additionally, the patent is also directed to aspects of the Company's "RAILWAY IN THE SKY" system that is intended to simplify routing and control of delivery drones particularly in crowded urban areas.

On June 4, 2020, the Company announced that, with the assistance of Air Canada Cargo and the Pontiac Group, it had entered into a commercial agreement dated June 4th, 2020 (the "**GlobalMedic Agreement**") with The David McAntony Gibson Foundation o/a GlobalMedic ("**GlobalMedic**") to deploy the Company's patented drone delivery solution to provide service to the Beausoleil First Nation Community ("**BFN**") in Ontario. Funding for the project was received by donors, including from the OEC Group (Canada), a leading global logistics provider servicing clients in all major industries including aerospace, healthcare, global retail, automotive and manufacturing. Pursuant to the terms of the GlobalMedic Agreement, the Company enabled a defined two-way delivery flight route from/to BFN mainland to/from the BFN Christian Island utilizing the Sparrow drone and its DroneSpot® takeoff and landing zones as well as additional drone flight infrastructure as required. All operations were conducted in accordance with the Canadian Aviation Regulations and Transport Canada flight authorizations. The Company completed deployment and setup of site infrastructure in September 2020 and began commercial operations from BFN mainland to BFN Christian Island. The six month contract with GlobalMedic concluded during the first quarter of 2021. Flights were remotely monitored by the Company from the Vaughan Facility.

On June 9, 2020, the Company announced that it had successfully engineered and tested a new payload drop functionality for the Sparrow drone. This new functionality allows a package to be loaded at the point of origin, fly to a destination, hover at a lowered altitude, drop a payload without landing, and return to the point of origin ("**Sparrow No Contact Delivery**"). The Company believes that the Sparrow No Contact Delivery functionality increases healthcare, commercial and residential use cases while effectively limiting person-to-person contact.

On June 22, 2020, the Company announced that, with the assistance of its sales agent Air Canada Cargo, it had entered into a commercial agreement dated June 22, 2020 (the "**DSV Healthcare Agreement**") with DSV to deploy the Company's drone delivery platform with the intent for DSV to deliver healthcare related cargo from DSV's warehouse in Milton, Ontario to DSV customers locally. Pursuant to the terms of the DSV Healthcare Agreement, the Company will deploy its Sparrow cargo drone, with the Sparrow No Contact Delivery functionality. At the destination, the Sparrow will hover at a lowered altitude, drop untethered cargo in a designated area shared by multiple DSV transactional customers, then return to DSV's DroneSpot®. The initial route is approximately 3.5km. Flights will be remotely monitored by the Company from the Vaughan Facility and will be

conducted in accordance with the Canadian Aviation Regulations and Transport Canada flight authorizations. The term of the DSV Healthcare Agreement is three months with full payment being made upfront by DSV.

On July 6, 2020, the Company announced that in connection with the Peel Region Project it successfully completed on June 26, 2020 phase two of the AED on the Fly Pilot with the Peel Region Paramedics and Sunnybrook Centre for Prehospital Medicine. Phase two of the AED on the Fly Pilot utilized the Sparrow, with the new cargo drop capability and a new audio announcement system, to drop an AED where a designated lay bystander would then retrieve the AED and apply it to a simulated cardiac arrest patient in a rural environment. Multiple pairs of lay bystanders and simulated cardiac arrest patients in multiple locations were used to test the AED drone solution. Response time to drop, retrieve and apply an AED, and physiological and psychological human factors in a stressful situation were measured during the testing. The Company believes that during this phase, the Company was able to demonstrate the ease of use of its AED drone solution when provided to community responders in a simulated cardiac arrest scenario.

On July 30, 2020, the Company announced that, with the assistance of its sales agent Air Canada, and together with the Pontiac Group, it had entered into a commercial agreement dated July 30, 2020 (the "**GIFN Agreement**") with the Georgina Island First Nation ("**GIFN**") to deploy the Company's patented drone delivery solution to provide service to the GIFN community in Ontario. Pursuant to the terms of the GIFN Agreement, the Company enabled a defined two-way delivery flight route from/to GIFN mainland to/from Georgina Island utilizing the Sparrow drone and its DroneSpot® takeoff and landing zones as well as additional drone flight infrastructure as required. All operations were be conducted in accordance with the Canadian Aviation Regulations and Transport Canada flight authorizations. GIFN used the Company's Sparrow drone solution to limit person-to-person contact on its island ferry service by transporting COVID-19 related cargo such as personal protection equipment (PPE), hygiene kits, test kits, test swabs, etc. The GFIN Agreement provided for the payment of an up-front, fixed-fee for managed services for the project. The Company completed the deployment and setup of site infrastructure in October 2020 and began commercial operations in the GIFN community. The six month contract with Georgina Island First Nation concluded during the second quarter of 2021. GIFN was approved for funding from the Government of Canada, through Indigenous Services Canada, for this drone project for the delivery of medical supplies to, and samples from, the community via drone.

On August 5, 2020, the Company closed a bought-deal prospectus offering underwritten by Echelon Wealth Partners Inc. and Canaccord Genuity Corp., pursuant to which the Company issued an aggregate of 13,225,000 units ("**Units**") at a price of $0.70 per Unit, for aggregate gross proceeds to the Company of $9,257,500 (the "**August 2020 Financing**"), which included the full exercise of the underwriters' over-allotment option (the "**August 2020 Over-Allotment Option**") for 1,725,000 Units for additional proceeds to the Company of $1,207,500. Each Unit consisted of one Common Share and one-half of one Common Share purchase warrant of the Company (each whole such warrant a "**August 2020 Warrant**"). Each August 2020 Warrant entitles the holder thereof to purchase one Common Share at a price of $0.95 until August 5, 2022. In connection with the August 2020 Financing, 793,500 broker warrants were issued, with each broker warrant entitling the holder thereof to acquire one Unit at $0.70 until August 5, 2022.

On September 1, 2020, the Company provided an update on the Condor drone from successful testing in Foremost, Alberta, Canada. The Company announced that it had successfully tested numerous critical aspects of the Condor, including: triple-redundant communications system (satellite, cellular, 900MHz RF); triple-redundant navigational guidance system; triple-redundant autopilot system; monitoring of unmanned flights remotely from the Vaughan Facility; general flight stability and performance; and fuel consumption characteristics. The Condor is currently the Company's largest drone in development with an expected range of 200km and payload capacity of 180kg and is fully integrated with the Company's patented FLYTE software system. The solution is intended to be marketed in a managed service SaaS business model in Canada and as a licensed managed service internationally.

On September 8, 2020, the Company announced the appointment of Mr. Manish Arora as Chief Financial Officer of the Company, effective September 8, 2020.

On October 29, 2020, the Company provided an update on the Condor drone from successful testing at the Alma, Quebec Unmanned Aerial System Centre of Excellence. The Company announced that it had successfully tested numerous critical aspects of the Condor, including triple-redundant communications system (satellite, cellular, 900MHz RF); triple-redundant navigational guidance system; triple-redundant autopilot system; monitoring of unmanned flights remotely from the Vaughan Facility; general flight stability and performance; and fuel consumption characteristics, in addition to numerous other attributes of the Condor such as multiple unique flying patterns, multiple velocity vectors and altitude profiles, sound pressure levels, engine tuning characteristics, maintenance procedures, logging of flight data, and extended endurance testing in varying environmental conditions. Pursuant to proposed Transport Canada regulations, the Condor would not require a formal aircraft type-certification when operated in specific lower-risk (remote) locations, as is intended.

On November 9, 2020, the Company announced the appointments of Ms. Debbie Fischer and Mr. Larry Taylor to its board of directors. The Company also announced the appointment of Mr. Steve Bogie to the Company's management team as Vice President – Flight Operations and Technology. With the addition of Mr. Bogie, Mr. Paul Di Benedetto transitioned into a non-executive role with the Company focusing on R&D Engineering. The Company further announced the appointment of Mr. Nico Buchholz and Mr. Robert Montemarano to its Advisory Board. Mr. Montemarano had resigned from the Company's Board prior to accepting a position on the Company's Advisory Board.

On November 10, 2020, the Company announced that, on November 6, 2020 it successfully completed Phase Three of its AED (Automated External Defibrillator) On The Fly project with Peel Region Paramedic Services and Sunnybrook Centre for Prehospital Medicine. Prior thereto, on June 26th, 2019, and July 6th, 2020, respectively, the Company had announced 100% successful completion of Phase One and Phase Two testing. Phase Three also utilized the Sparrow, with its cargo drop capability and audio announcement system, to drop an AED where a designated untrained (lay) bystander would then retrieve the AED and apply it to a simulated cardiac arrest patient in a rural environment. Response time to drop, retrieve and apply an AED, and physiological and psychological human factors in a stressful situation were measured during the testing. Additionally, remote launch and monitoring from the Vaughan Facility, and nighttime delivery of an AED by drone were successfully tested. The testing validated that using the Company's proprietary drone delivery platform with cargo drop functionality to deliver rapid first responder technology via drone may reduce response time to cardiac arrest patients in the field while being utilized by lay responders. Simulated 911 call locations were electronically sent to the Vaughan Facility for drone launch. The Sparrow drone flew automatically from a Peel Paramedic station in Caledon, Ontario to the destination and back. Real-time remote monitoring occurred from the Vaughan Facility using the Company's proprietary FLYTE software system. Round-trip flight distance was approximately 12km. Compared to a land-based vehicle, the AED drone had a shorter travel time, a major factor in responding to a cardiac arrest.

On November 18, 2020, the Company provided an update on ongoing successful testing of the Robin XL drone at the Company's 'Tranquility Base' test range. The Company successfully tested numerous critical aspects of the Robin XL, including: communications system; navigational guidance system; autopilot system; take-off and landing performance; general flight stability and performance; multiple velocity vectors and altitude profiles; sound pressure levels; and battery consumption characteristics. All flight tests were conducted in accordance with the approvals provided by Transport Canada. Pursuant to proposed Transport Canada regulations, the Robin XL would not require a formal aircraft type-certification when operated in specific lower-risk (rural & remote) locations, as is intended. Flight approvals would be requested through Transport Canada following the SFOC process that the Company has successfully used in the past. The Robin XL is currently the Company's mid-size drone in development with an expected range of 60km (37mi) and a payload capacity of 11.3kg (25lb). The Robin XL is an electric, combination VTOL / fixed-wing drone. The aircraft itself includes an advanced, integrated parachute system which is expected to mitigate its risk profile and potentially allow for flight over people in the future, opening up an extended range of use cases. Cargo is stored safely and securely inside the drone, with

temperature control capabilities. The Robin XL is designed to work with the Company's proprietary and patented DroneSpot® depot system, automated battery management system and FLYTE software system. Future versions of the Robin XL are expected to feature the Company's innovated touchless cargo drop functionality. Similar to the Sparrow and Condor, in addition to carrying traditional cargo, the multi-mission Robin XL has the ability to carry specialized camera/video systems as well as specialized sensors, further extending its use cases into additional commercial, industrial, government and military markets, beyond traditional cargo delivery. The Company announced on July 15, 2021 that it was reallocating resources from the development of Robin XL to Condor and the Canary (next generation Sparrow) in response to market demand. The Company intends to resume Robin XL development in the future as market demands may indicate. The turnkey solution is intended to be marketed in a managed service SaaS business model in Canada and as a licensed managed service internationally.

On December 22, 2020 the Company closed a bought-deal prospectus offering underwritten by Cormark Securities Inc. and Echelon Wealth Partners Inc., pursuant to which the Company issued an aggregate of 15,686,000 units ("**Units**") at a price of $0.88 per Unit, for aggregate gross proceeds to the Company of $13,803,680 (the "**December 2020 Financing**"), which included the full exercise of the underwriters' over-allotment option (the "**December 2020 Over-Allotment Option**") for 2,046,000 Units for additional proceeds to the Company of $1,800,480. Each Unit consisted of one Common Share and one-half of one Common Share purchase warrant of the Company (each whole such warrant a "**December 2020 Warrant**"). Each December 2020 Warrant entitles the holder thereof to purchase one Common Share at a price of $1.20 until December 22, 2022. In connection with the December 2020 Financing, 941,160 underwriter options were issued, with each underwriter option entitling the holder thereof to acquire one Unit at $0.88 until December 22, 2022.

Year-ended December 31, 2021

On January 28, 2021, the Company provided an update on its plans to integrate Artificial Intelligence (AI) into its disruptive drone delivery solution. As part of the Company's technology roadmap, it plans to integrate various aspects of AI into its solution, including the use of AI in leveraging: operational data collected by the Company's FLYTE software as related to weather, air traffic patterns, and package delivery patterns; radar data; vehicular & marine traffic data; and battery / fuel consumption data. AI can be applied to the broad range of data collected by the Company in order to optimize predictive real-time route planning, especially in emergency medical scenarios; for electric and gasoline fuel optimization; long-range and short-range Detect and Avoid (DAA) systems for commercial and residential deliveries; and multi-drone logistics traffic optimization.

On February 4, 2021, the Company announced the appointment of Ms. Nadine Miller to its Advisory Board.

On February 24, 2021, the Company announced that it had received approximately $13 million as a result of the exercise of outstanding convertible securities.

On March 2, 2021, the Company announced the appointment of Mr. Armen Keuleyan as Director of Sales & Marketing, effective March 1, 2021.

On March 3, 2021, the Company provided an update on the Condor drone based on recent successful testing at the Foremost UAS Test Range, in Foremost, Alberta, Canada. The Company announced that it had successfully completed further testing of the Condor, including testing as related to: cold-weather performance, wind performance, cargo-area temperature profiles, long-duration flight testing, aircraft attitude and position controller tuning, autonomy, and autonomous waypoint navigation. These attributes are important with respect to commercial/industrial applications and healthcare cargo, especially biologicals, pharmaceuticals and vaccines. The Company had previously announced successful testing of numerous critical aspects of the Condor, including: triple-redundant communications system (satellite, cellular, 900MHz RF); triple redundant navigational guidance system; triple-redundant autopilot system; monitoring of

unmanned flights remotely from the Vaughan Facility; general flight stability and performance; fuel consumption characteristics; multiple unique flying patterns; multiple velocity vectors and altitude profiles; sound pressure levels; engine tuning characteristics; maintenance procedures; logging of flight data; and extended endurance testing in varying environmental conditions. Pursuant to proposed Transport Canada regulations, the Condor would not require a formal aircraft type-certification when operated in specific lower-risk (remote) locations, as is intended. Flight approvals would be requested through Transport Canada following the SFOC process that the Company has successfully used in the past. The Condor is currently the Company's largest drone in development with an expected range of 200km (124mi) and a payload capacity of 180kg (396lb) and is fully integrated with the Company's patented FLYTE software system. The turnkey solution is expected to be marketed in a managed service SaaS business model in Canada and as a licensed managed service internationally.

On May 4, 2021, the Company announced that it had received official certification to the latest ISO 9001:2015 standard for its Quality Management System.

On May 12, 2021, the Company announced that, on April 27, 2021, the United States Patent Office had granted the Company US Patent No. 10,987,184 for "*Medical or Emergency Package and Method of Use Thereof*". The patent is directed to the Company's proprietary, portable emergency or medical package. In particular, the patent was directed to the concept of a proprietary package including a number of compartments, where some compartments containing medical equipment(s) are locked. The package also included a communication device that is detachable from the package so that a user of the package can use the communication device to communicate with remote personnel who, based on such audio/video information received from the user, can open a selected locked compartment to permit access to the medical equipment contained therein.

On May 20, 2021, the Company announced that, with the assistance of its sales agent, Air Canada, it was selected by the University of British Columbia ("**UBC**") to deploy the Company's patented drone delivery solution at the Stellat'en First Nation, for UBC's "Remote Communities Drone Transport Initiative" program. The project enables defined-route deliveries utilizing the Company's Sparrow drone and its DroneSpot® takeoff and landing zones as well as additional drone flight infrastructure as required. The solution is used to transport a variety of cargo for the benefit of the Stellat'en First Nation, located in the Fraser Lake area of Central Northern British Columbia, Canada. The deployment was the Company's fourth First Nations project and its first in British Columbia. All operations are conducted in accordance with appropriate Canadian regulations with flights remotely monitored by the Company from the Vaughan Facility. On July 15, 2021, the Company entered into a commercial definitive agreement with UBC for a twelve month term, and included an upfront payment as well as recurring monthly payments. On October 18, 2021, the Company announced that project with UBC had become commercially operational.

On June 24, 2021, the Company announced that, with the assistance of its sales agent, Air Canada, it had entered into a commercial agreement with DSV to renew & extend the internal Sparrow drone route project for the use of DSV at its head office and logistics facility in Milton, Ontario. Pursuant to the terms of the agreement, the Company continued operations with its Sparrow drone, existing in-place DroneSpot® depots and related infrastructure. The agreement had an indefinite term and provided for a monthly fee for professional services by the Company. All operations to be conducted in accordance with the Canadian Aviation Regulations and Transport Canada flight authorizations. flights will be remotely monitored by the Company from its Vaughan Facility.

On July 6, 2021, the Company announced that the United States Patent Office had granted US Patent No. 11,027,858 for the Company's application titled "*Location for Unmanned Aerial Vehicle Landing and Taking Off*". This patent was directed to the Company's drone delivery technology and processes related to managing UAV landing and takeoff. In particular, the patent was related to controlling access to and managing departure and destination locations for UAVs engaged in transporting articles between such locations.

On July 7, 2021, the Company announced that the United States Patent Office had granted US Patent No. 11,053,021 for the Company's application No. 15/796,214 titled "*Unmanned Aerial Vehicle and Method for Indicating a Landing Zone*". The patent was generally directed to the Company's proprietary UAV and a method of landing a UAV at a location. In particular, the patent was directed to a UAV that includes a light source for generating a light beam to define a pattern for a landing zone for the UAV. The light beam has a variable cone angle so that the landing zone indicated by the light source remains of substantially constant area as the UAV descends.

On July 8, 2021, the Company announced that, with the assistance of its sales agent, Air Canada, it had entered into multiple commercial agreements with each of EIA, Apple Express Courier Ltd. and Ziing Final Mile Inc. to deploy the Company's patented drone delivery solution at the EIA. Pursuant to the terms of the agreements, the Company enabled defined-route delivery from EIA to deliveries off airport property utilizing the Sparrow drone and its DroneSpot® takeoff and landing zones as well as additional drone flight infrastructure as required. The Customers will use the Company's Sparrow delivery drone solution to transport a wide variety of cargo. All operations will be conducted in accordance with appropriate Canadian regulations with flights remotely monitored by the Company from its Vaughan Facility. The deployment was the first use of an automatic delivery drone solution to provide B2B cargo delivery at Edmonton International Airport and were the Company's first commercial contracts in Alberta and with courier companies. The Company began implementation of the project during the third quarter of 2021 and continues work towards having the route become operational.

On July 27, 2021, the Company announced that it was the first publicly traded drone delivery company to be granted a domestic cargo license under the *Canada Transportation Act* ("**CTA**") and *Air Transport Regulations* (Canada). The license, normally issued to airlines that provide passenger or cargo services, was a critical step to the continued expansion and scaling of the Company's operations. Such CTA license is mandatory for any air carrier intending to provide scheduled, commercial air services in Canada, whether carrying cargo or passengers. With the granting of the CTA license, the Company continued its progress toward routine, sustainable and scalable cargo delivery operations intended to address logistical challenges and opportunities throughout Canada. Obtaining this license allowed for the Company to continue developing new drone delivery use cases, as well as the potential expansion of ongoing operations, such as those announced for EIA and Fraser Lake, British Columbia. Section 61(a)(i) of the CTA requires that, among other things, the Company must be able to establish at all times that at least 51% of the voting interests of the Company are owned and controlled by Canadians. In order to comply with such rule, the Company intends to seek to amend its constating documents to incorporate the necessary restrictions, which will be in line with other public Canadian airlines. Until such time, the Company has received from the Minister of Transport an exemption from s. 61(a)(i) until June 22, 2022.

On August 17, 2021, the Company announced that it had signed a sales collaboration agreement, effective August 16th, 2021, with Nexeya Canada Inc., to jointly explore military applications for the Company's drone solution. The agreement provided that the parties would collaborate to identify, develop and bid on military projects utilizing the Company's drone solution for delivery and/or sensor related applications in Canada. The initial term of the agreement is 24 months.

On November 4, 2021, the Company announced that it had opened a new commercialization centre (the "**New Commercialization Centre**") to augment its main facility and test range, which is approximately 100 acres west of the Company's main office. The Company announced that it would maintain a permanent facility there with dedicated staff, which would scale with the Company's growth.

On November 15, 2021, the Company announced successful initial tests of its next generation Sparrow drone. The next generation Sparrow, to be known as the "Canary", successfully passed first tests. Flight range and cargo capacity of the Canary is expected to have a range of approximately ~20km+ and cargo capacity of 4.5kg. Features include a new motor configuration, next generation smart battery technology, touchless cargo drop functionality, a future optional public announcement system and an optional aircraft parachute. This new functionality is expected

to unlock potential customer use-cases and facilitate future flights over people to open new, commercially addressable future markets in urban and residential areas for B2B and also B2C retail residential deliveries.

On December 1, 2021, the Company provided an update on the Condor drone development. The Company successfully tested numerous aspects of the Condor solution at test ranges in Alma, Quebec at the Unmanned Aerial System Centre of Excellence, and in Foremost, Alberta at the UAS Test Range. The Company announced that its New Commercialization Centre is where Condor testing will continue, in addition to customer pre-delivery inspection, maintenance, training and customer demonstrations. The centre will also support testing and development of multiple of the Company's platforms, including the: FLYTE software, Detect and Avoid (DAA) systems, Canary drone, DroneSpot® depots, etc. In addition to previously announced updates on Condor development and testing, the following further progress has been made – engine control unit (ECU) overhaul (avionics + engine overhaul), enhanced start-up procedure process, mechanical reliability improvements, upgraded to latest components (clutch, splitter gearbox, torque valves, etc). Additionally, some items that remain to be completed – integration of automated weight & balance system, further testing with FLYTE software system, further payload testing, environmental testing, and high speed testing. The timing and completion of the development and commercialization of the Condor is dependent on a number of risk factors including, without limitation, the Company's ability to fill future staffing requirements, actual and potential pandemic-related delays, successful development and testing of certain components of the Condor, and supplier and supply chain risks. See "*Risks Factors*" and "*Forward-Looking Information*".

Subsequent to the year-ended December 31, 2021

On January 5, 2022, the Company announced that it had completed an amalgamation with its wholly-owned subsidiary, 1336099 B.C. Ltd. (formerly, Drone Delivery Canada Inc.), effective January 1, 2022. The amalgamated entity continued under the name "Drone Delivery Canada Corp." and its trading symbols will remained unchanged.

On January 25, 2022, the Company provided an update on continued successful development and testing of the Canary drone. Further to its press release on November 15, 2021, the development and testing of the Canary continued to progress through the Company's flight testing program, completing aircraft tuning at altitude (pitch, yaw, roll), and had completed aircraft ground and vibration testing. Other ongoing testing included flight controller tuning to fly in semiautonomous flight modes, and refining onboard avionics, payload and communications systems. Next steps are testing full autonomous missions and expanding the flight envelope. Flight range and cargo capacity of the Canary is to be confirmed via future testing but it is expected to have a range of approximately ~20km and cargo capacity of ~4kg. Features currently include a new motor configuration, next generation smart battery technology, touchless cargo drop functionality, a future optional public announcement system and an optional aircraft parachute. This new functionality is intended to potentially unlock additional customer use-cases and potentially facilitate future flights over people which could open new, commercially addressable future markets in urban and residential areas for B2B and also B2C retail residential deliveries. Initial successful testing included avionics system configuration, communications with the FLYTE management system, communications with a next generation smart battery system, propulsion system (motor direction) testing, and on-board sensor testing.

On February 9, 2022, the Company announced the appointment of Steve Magirias as Chief Executive Officer of the Company and that Mr. Michael Zahra had departed as President and Chief Executive Officer, and a director of the Company. Mr. Zahra was appointed to the Advisory Board providing insight and support to various projects and developments.

DESCRIPTION OF THE BUSINESS

General

Summary

The Company is an operational, commercialized, early stage revenue-generating technology firm based out of Vaughan, Ontario that is focused on designing, developing and implementing a drone delivery logistics platform within the Canadian market, as well as expanding operations into the United States and potentially in other international jurisdictions selected by the Company. The Company believes that the technology it has developed could re-define the traditional shipping and delivery market model.

The Company is a managed-service logistics company employing drones in order to deliver products faster, easier and cheaper for the purpose of enabling retailers, service organizations, healthcare, commercial/industrial companies and government agencies to reduce costs, improve efficiencies, expand their revenue base and grow their respective bottom lines. Regulatory bodies have begun legislating commercial drone use and the Company works closely with such bodies in Canada (and potentially outside of Canada) to further commercialize this technology as regulations unfold.

The Company is pioneering the design, development and implementation of a commercial drone logistics platform for retailers, service organizations and government agencies within a Canadian made solution. The Company's business foundation is based on three key principles:

(i) Canadian Innovation: develop an innovative drone delivery logistics platform utilizing partnerships with leading Canadian universities, academics and organizations;

(ii) Market Disruption: develop a logistics solution utilizing drone technology to disrupt the traditional logistics delivery market segment in Canada and elsewhere; and

(iii) Green Technology: develop a platform that embraces green technology in order to seek to minimize the Company's carbon footprint.

There is currently no specific legislation or regulatory framework in place specific to the BVLOS operations of commercial drones in Canada or the United States. All such operations are approved on a case by case basis, with company experience and safety record being the major factors in gaining such approvals. The Company has secured the services of Canadian and US drone regulatory experts in assessing the regulatory regimes of each country and who are working with the applicable regulators to secure flight approvals. The Company reviews the regulatory regimes respecting drone use in other international jurisdictions with a view to possible expansion in such other international jurisdictions, however, there can be no assurance that such jurisdictions have enacted or will enact legislation or that, if enacted, the Company will be permitted or qualified to operate under such legislation. See *"Risk Factors"* in this AIF.

Revenue for the twelve months ended December 31, 2021 was $335,023, which was entirely generated from drone delivery services provided to the Company’s customers that were operational during the year.

Production and Services

The Company is developing a managed logistics services platform which is providing drone delivery services to participants in the retail, service and government sectors under SaaS model. The Company refers to this phase as its "Commercialization Phase". The Company's services will be based on two operating models: (i) Depot to Depot; and (ii) Depot to Consumer. A "per transaction" and "fixed" fee with minimum volume requirements is expected to create a recurring revenue model for the Company. The Company is operating similar to a traditional aircraft courier, by way of owning, operating and maintaining its drone infrastructure platform. Customers utilizing the

Company's services will pay integration and setup fees and will be required to contractually commit to a minimum monthly service rate. Additional charges will be incurred once the minimum delivery count is exceeded. The Company anticipates that rates will vary depending on specific client requirements, geographies and monthly/annual commitment rates as well as licensing fees.

Depot to Depot Service

The Company has commenced its drone logistic services by offering a Depot to Depot service initially working exclusively in remote and rural areas of Canada followed by a systematic move in suburban areas. The Depot to Depot service will provide a drone-based means of transporting goods to and from distribution warehouses and locations. The Depot to Depot service is the easier of the Company's two delivery methodologies to operate, as operations take place in less populated regions of Canada which should limit operational difficulties, including: reduced object avoidance, reduced liability risks and simplified payload deployments. The Depot to Depot service operates as an extension of the Company's on-going product research and development initiatives, and such operations are expected to facilitate the further development of the Company's technology platform.

Depot to Consumer Service

Once the Company's technology is fully tested and proven using the Depot to Depot service model, the Company intends to extend service to more densely urbanized areas, offering Depot to Consumer services, which will be dependent on the successful advancement of detect and avoid technology. Depot to Consumer service will allow the Company to provide services to retailers seeking to have their products shipped from their retail locations to consumers' homes and businesses via the Company's drone logistics platform. The Depot to Consumer model is similar to those being developed by other drone entrants, in particular in the United States, including large technology and online sales companies. Based on discussions with Canadian government agencies, the Company expects that this service offering will be legislated in the future once remote, rural and suburban operations have been satisfactorily established.

Production and Development

The Company has established its research and development laboratory in Vaughan, Ontario at its Vaughan Facility. The development lab houses a variety of advanced manufacturing and development technologies used to prototype and advance the development of the Company's drone delivery logistics platform. The Company has invested in advanced prototyping and development infrastructure which include multiple 3D printers able to produce and develop drone components in many materials. The Vaughan Facility also includes modern technology enabled offices and meeting rooms and information technology infrastructure, which includes an array of data servers (private cloud) which are utilized to assist in developing and testing the Company's software management and logistics platforms and three-dimensional modeling applications.

The Company has been developing and prototyping various renditions of its delivery drone units since the Company's inception in 2014. Currently, the Company is on its twelfth rendition of its next generation delivery drone which features a heavy lifting airframe design, next generation motor and electronic management control systems. In order to increase distance and delivery capacity for its drone vehicles, the Company intends to expand on its commercial operations by introducing larger, heavier-lifting (400+lbs) drone vehicles in remote, rural and suburban communities and potentially in international jurisdictions. The Company is in discussions respecting various new opportunities related to its drone delivery services both in Canada and in international markets, based on increased payload capacity drone vehicles.

Through its experimentation with advanced construction materials and techniques the Company (in collaboration with Canadian university engineering groups) has advanced its remotely piloted aircraft system ("**RPAS**") development. Working closely with industry experts and Canadian avionics firms, the Company has advanced the development of its proprietary logistics management, deployment and communications systems. The Company expects these advancements will satisfy the Canadian Federal government's future legislative requirements for commercial drone delivery services.

The Company is actively engaged with several university engineering groups, including the University of Toronto. The Company has engaged these groups to aid in the development of its drone logistics platform. The Company will utilize these academic resources on multiple fronts, including pooling their pre-PhD students with specialization in robotics, mechatronics, advanced engineering, electronics and embedded systems to staff the Company's research and development lab and participate in joint collaboration initiatives to mutually explore and develop next generation drone/RPAS technology and platforms to augment and further advance the Company's commercialization and development process.

The Company has engaged, and is working with, multiple third-party software development firms, to develop the Company's various software control and integration systems, including its "FLYTE" control system, as part of its overall drone logistics platform. Engineering development, testing, certification and commercialization of system components such as DroneSpot® depot, Battery Management System and "FLYTE" software, and additional drone aircraft, including but not limited to, the Robin XL, Canary Condor, and potential ongoing enhancements to the Sparrow, are complex processes with outcomes which are not certain in terms of timeline, cost, availability of components, availability of specialized staffing and consultants, certifiability of aircraft with the regulator, reliability, durability, commercial viability, market acceptance in Canada or internationally, and other factors that are out of the Company's control.

Specialized Skill and Knowledge

There is a specialized skill required for the development, operations, maintenance, sales and marketing of the Company's technology. The Company's current staff possesses the necessary skills and knowledge required for the Company's business; however, additional employees may be added to staff as needed by the Company as the Company is transitioning from a focus on research and development to a focus on commercial operations. All operational staff hold the appropriate licences and certificate as mandated by Transport Canada.

Additionally, the Company is assisted by its Advisory Board, consisting of the following persons:

Stan Kapashesit, Director of Economic Development, Moose Cree First Nation

Mr. Kapashesit, Director of Economic Development for the Moose Cree First Nation is a member of this remote community in Northern Ontario. Since beginning his tenure, Mr. Kapashesit has researched and engaged the community in finding ways to help assist in the high cost of living in this area. One of the challenges is getting freight and items to the island community, and when approached by the Company in spring of 2017, the Moose Cree First Nation Council felt it was worth exploring and being involved in new and innovative ways of the future. Moose Cree is a proactive community and felt that this opportunity could lead to more employment opportunities in the future as this field of innovation develops. One of the main objectives of this partnership is make Moose Cree a hub and depot of the north, and to help other remote Indigenous communities use the Company's technology.

Tim Strauss, Chief Executive Officer, Amerijet International

Mr. Strauss was appointed Chief Executive Officer of Amerijet International, with oversight of all aspects of day-to-day cargo operations, including leading, directing, developing and implementing customer-centric initiatives and solutions. He has more than 31 years of cargo experience in both the airline and freight forwarding industries. Prior to joining the Company, Mr. Strauss held

leadership roles in global sales and operations of Air Canada, Northwest Airlines, Delta Air Lines and in Hawaiian Airlines. He began his career with Emery Worldwide in 1987 (now UPS Supply Chain Logistics) where he held roles of increasing responsibility, starting as cargo handler and completing his tenure as Vice President of Transportation and Logistics. Mr. Strauss advances his understanding of the logistics industry via studies in management at The Ohio State University, Massachusetts Institute of Technology, and Cambridge Institute.

Duncan Card, Senior Partner, Bennett Jones LLP

Mr. Card Co-Chairs the Technology Law practice and Chairs its Government Contracting, Procurement and Intelligent Infrastructure practices of Bennett Jones LLP. Mr. Card is included in The National Post recently published 2019 rankings, "Best Lawyers in Canada" (Technology Law). The 2019 Canadian Legal Lexpert rankings, based on peer reviews, has included Duncan as one of Canada's leading lawyers in both Computer Law and Technology Law for the last 15 years. In 2018, Mr. Card was also named by Lexpert Magazine and Canadian Council For Public-Private Sector Partnerships as one of Canada's leading infrastructure lawyers.

Richard Buzbuzian

Mr. Buzbuzian is a capital markets executive with over 20 years of experience in the technology and the resource sectors. Mr. Buzbuzian was responsible for the Company's public offering process and is currently responsible for corporate finance and strategic transactions matters, investor relations and day to day finance activities. Mr. Buzbuzian is a director of CT Developers and former President and Chief Executive Officer of Hut 8 Mining (formerly Oriana Resources Corp.).

Tony Di Benedetto

Mr. Di Benedetto has been actively involved in the Canadian technology services sectors since the early 1990s and has built a number of technology companies including; internet hosting providers, managed service providers, wireless broadband networks and data center facilities. Mr. Di Benedetto is active in a number of other ventures which includes; Data Centre Realty, Di Benedetto Group and MS Transactions. Mr. Di Benedetto brings over 17 years of IT entrepreneurship, technology mergers and acquisitions and capital markets experience to the Company's management team.

Dr. Sheldon Cheskes, Associate Professor with the Division of Emergency Medicine, Department of Family and Community Medicine at the University of Toronto

Dr. Sheldon Cheskes is an Associate Professor with the Division of Emergency Medicine, Department of Family and Community Medicine at the University of Toronto. He is also a scientist at the Li Ka Shing Knowledge Institute at St. Michael's Hospital in Toronto, Canada. Dr. Cheskes is the Medical Director for the Regions of Halton and Peel with the Sunnybrook Centre for Prehospital Medicine. He is one of the principal investigators for the Canadian Resuscitation Outcomes Consortium (CanROC) and is a recognized international authority in the area of CPR quality and out-of-hospital cardiac arrest resuscitation. Dr. Cheskes has published over 80 manuscripts in high impact journals such as the New England Journal of Medicine, Circulation, CMAJ and Resuscitation that have changed resuscitation practice around the world.

Dr. Cheskes is currently leading the first study, exploring the impact of remote ischemic conditioning to reduce reperfusion injury in ST-elevation myocardial infarction, and is the principal investigator of the Double Sequential External Defibrillation in Refractory Ventricular Fibrillation (DOSE VF) trial. This study is expected to be the first cluster randomized trial to clinically evaluate two novel therapeutic defibrillation strategies (double sequential external defibrillation and vector change defibrillation) against standard practice for patients remaining in refractory ventricular fibrillation during out-of- hospital cardiac arrest. Dr. Cheskes is also improving public access to defibrillation in rural and remote areas through the use of community responder programs and drone delivery of automated external defibrillators.

Nico Buchholz

Mr. Buchholz is an experienced executive with a background in civil and military aviation, aircraft leasing, aircraft fleet management, procurement, strategic development and technical operations, having worked with such organizations as Airbus, Rolls-Royce, Lufthansa, Bombardier, Delta Airlines, Southwest Air Cargo, and German Operating Aircraft Leasing. He received university education at the Technical University of Berlin in Air & Space Technology Engineering as well as Air Transport Management at Cranfield University (M.Sc.) and has taken management programs at the London Business School and Columbia University.

Robert Montemarano

Mr. Montemarano is active in corporate finance in various industries such as mining, technology and real estate, and served as a director of several publicly traded companies.

Nadine Miller

Ms. Miller is a professional engineer with over 20 years of experience in engineering design and project management in the mining and transportation industries, and has worked on mining projects in Australia, Europe, North and South America. Ms. Miller is currently the Vice President of Project Development at JDS Energy and Mining. She led the Business Development departments for two of the world's largest engineering consulting firms' Toronto Offices: Bantrel providing EPC/EPCM services to the mining and metals, oil, gas and chemicals and infrastructure sectors with the backing of Bantrel's parent company, Bechtel; and SNC-Lavalin's Mining and Metallurgy providing EPC/EPCM services.

An active advocate and volunteer for the engineering profession, she has held senior roles as Past-President of the Ontario Society of Professional Engineers, and Secretary of the Board for Consulting Engineers of Ontario. A strong advocate on issues pertaining to women in engineering, Ms. Miller received the 2017 Leading Women Building Communities Award for her work in this area.

Ms. Miller has a B.A.Sc. in Geological and Mineral Engineering from the University of Toronto; an M.Eng in Civil and Environmental (Geotechnical) Engineering from the Massachusetts Institute of Technology; an M.B.A. from the Saïd Business School, University of Oxford, England; and her P.Eng Professional Engineer designation from Professional Engineers Ontario.

Ms. Miller also has Board Director experience in mining, venture capital, homeland security technology and artificial intelligence.

Michael Zahra

Mr. Zahra served as President and Chief Executive Officer of the Company until February 9, 2022. Prior thereto, Mr. Zahra was the Senior Vice President of Operations and Strategy of the Company since January 24, 2019 and prior thereto an employee of the Company since December 3, 2018. Prior to his engagement by the Company, Mr. Zahra was the President of Staples Business Advantage from July 2002 until November 2018, the President of Yahoo from March 2000 until June 2002 and the President of Schlumberger RMS from January 1990 until March 2000.

Competitive Conditions

Currently, drone delivery platforms are being developed by certain large organizations globally. The Company's partnerships with its development partners, which include the University of Toronto, a leading Canadian university, and various corporate partners, provide the Company with access to Canadian RPAS experts to accelerate Canadian development of the Company's technology. The Company competes with companies in the drone, or RPAS, industry. As the regulatory and working framework in Canada for commercial drone operators becomes more developed over time, particularly for BVLOS operations, it is anticipated that barriers to entry into

this sector will become strict, providing first movers with a competitive advantage. Although the Company anticipates that competition in the drone market will increase over time as the industry matures, this competition will be limited due to the increased barriers to entry.

The market size for commercial drone use is growing. The growth of commercial drone services is expected to grow rapidly as retailers, service organizations and government agencies are looking at ways to offer better, faster and more affordable logistic delivery services to their respective customers. With the growth of on-line shopping, just-in-time logistic solutions are being demanded by on-line retailers. In 2013, $136 billion was purchased by Canadians on-line who had their products delivered via a logistics provider (Statistics Canada). The Company is in the process of capturing a portion of this logistics market to drive its revenue growth and profitability.

Based on the Transport Canada RPAS regulations which came into force on June 1, 2019, the Company secured various flight approvals by becoming fully compliant with the new regulations. The Company's early entry into the Canadian drone delivery sector assisted the Company in obtaining Transport Canada certifications and approvals ahead of competitors. The Company continues to conduct testing in Southern Ontario and Southern Alberta in order to prove the safety of its aircraft while at the same time commencing commercial operations. The Company currently has several SFOC applications approved by Transport Canada, which have supported the Company's ongoing commercialization of its drone delivery logistics platform. The Company has received approval from Transport Canada to commence testing of its largest drone with a 400 lbs cargo capability. Subject to successful testing and the receipt of all required approvals from the Government of Canada, the Company intends to expand on its commercial operations in 2022 focusing on both remote community initiatives and rural and suburban commercial customers.

The Company was the first to market in Canada in achieving commercialization of a drone delivery logistics platform. Management believes that the Company's partnership with Air Canada Cargo, its engagement with leading industry development groups, including DSV, EIA, UBC and aeronautics organizations, along with the Company's list of co-development partners and commercial partners has given the Company a first mover advantage in this next generation industry.

Components

The Company obtains hardware components, various subsystems and systems, and raw materials from a limited group of suppliers. The Company does not have long-term agreements with any of these suppliers that obligate such suppliers to continue to sell components, subsystems, systems or products to the Company. The Company's reliance on these suppliers involves significant risks and uncertainties, including whether suppliers will provide an adequate supply of required raw materials, components, subsystems, or systems of sufficient quality, will increase prices for the raw materials, components, subsystems or systems, and will perform their obligations on a timely basis. See "*Risk Factors – Risks Related to the Business of the Company – Reliance on Components and Raw Materials*" in this AIF.

Sales and Marketing

The Company has partnered with commercial service providers, Indigenous Communities and government agencies, including Air Canada Cargo, DSV Air & Sea Inc. Canada, the Edmonton Regional Airports Authority, for the Company's delivery logistics platform. The executive team is in active discussions and negotiations with additional various potential clients for the Company's delivery logistics platform and through these discussions and negotiations the Company is assessing their requirements to focus the development and design of the Company's drone technology platform in order to address their needs and also comply with Canadian drone and RPAS legislation.

To date, in addition to Air Canada Cargo which assists the Company in marketing, selling and promoting the Company's drone delivery services in Canada using Air Canada Cargo's marketing and sales platforms and resources pursuant to the Air Canada Agreement, the Company is in

discussions and negotiations with other client partners which include government, corporate and retail partners to expend on the development of its sales and marketing strategy. Additional marketing activities include direct selling efforts, internet and social media marketing, trade shows and conferences.

Intangible Properties

Intangibles such as patents, software, specific technology know-how, and applications expertise all have a significant effect on the Company's business. The Company's business is focused on the development of a Canadian based drone logistics platform to provide logistic services to retailers, service organizations and government agencies. At present, drone delivery technology cannot be purchased as an off-the-shelf solution, therefore the Company has been focused on developing proprietary technology which meets or exceeds anticipated Canadian government requirements. Furthermore, the Company intends to patent various technology elements which it has developed and/or is currently developing.

The Company has engaged Canadian patent lawyers to aid in the filing of necessary intellectual property patents for the Company's drone logistics platform. The Company's engineering team has developed, and continues to develop, key technology elements for its platform that have been identified as being patentable.

Patents to be filed include: integration of super materials (graphene, shrilk, carbon fiber); weatherproofing design; heavy lifting air-frame design; modularized connector design; swappable battery system; grappling and tether deployment system; and drone docking and deployment stations.

Drone Regulations in Canada

A new regulatory framework relating to the use of drones in Canada was published by Transport Canada in January 2019 and came into effect on June 1, 2019. The changes, published in the Canadian Aviation Regulations (CARs), Part IX, introduce rules based on the weight of the remotely piloted aircraft ("**RPA**") and the intended operation. This framework creates three broad categories of RPAs: (i) small RPAs in limited (low risk) operations ("**Small RPAs Basic**"); (ii) small RPAs in advanced (complex) operations ("**Small RPAs Advanced**"); and (iii) all other RPA operations that fall outside (i) and (ii) above. These regulations focus on foundational issues such as aircraft marking and registration, pilot knowledge and certification, airworthiness of the aircraft, and flight rules.

In this AIF, the terms, drone, unmanned aircraft system (UAS) and remotely piloted aircraft system (RPAS) can be used interchangeably.

Small RPA Basic are defined as RPA weighing between 250g and 25kg and operated in rural and unpopulated areas. These RPA will require identification markings, including name, address and contact information of the owner and pilot of the RPA. Pilots must be at least 14 years of age and must hold a valid Basic RPA licence that is specific to small drones. Additional restrictions are imposed that include that the RPA cannot operate (i) within approximately 30m of people or open-air assemblies of people, (ii) above 400 feet, (iii) within approximately 1.85km of heliports or (iv) within approximately 5.5km of airports. These regulations require the RPA to always be operated within visual line-of-sight.

Small RPA Advanced are defined as RPA weighing between 250g and 25kg and operated in urban and/or populated areas. These RPA will require identification, marking and registration with Transport Canada as well as meeting specified design standards acceptable to Transport Canada. The RPA will be assigned a unique identification/registration number issued by Transport Canada. Pilots must be at least 16 years of age and must hold a valid Advanced RPA licence that is specific to small drones. Approval for operation must be granted by Air Traffic Control when operating in controlled airspace or near controlled aerodromes. A set of flight rules must be followed at all times for these more complex operations. Restrictions, including distances from people, are determined

based on the safety certification of the RPA being operated. The RPA must always be operated within visual line-of-sight.

The current legislation utilizes a similar SFOC application process, as the previous regulations, to approve any operations that do not fit within the regulatory regime set out above, such as operating beyond visual-line-of-sight. For those wishing to operate outside of the regulatory framework set out in CARs, part IX, there will be a variety of SFOC application processes tailored to the nature and use of the RPA. The more complex and risk associated with the proposed operation, the more thorough and detailed the SFOC application process.

Those operators requiring an SFOC must apply to the Transport Canada Civil Aviation Regional Office at least 30 working days prior to the date of the proposed RPA operation. Transport Canada has wide discretion in reviewing and approving SFOC applications; and the Company continues to work closely with the department to gain any required flight approvals. The purpose of the SFOC application review is to ensure that the proposed operation is safe and the associated risks have been adequately mitigated by the Company.

In April 2020, Transport Canada published a Notice of Proposed Amendment ("**NPA**") as the first step in the publication of new regulations for beyond visual line-of-sight operations. The NPA provided a synopsis of the high-level policies Transport Canada is proposing to support beyond visual line-of-sight operations in lower risk environments such as remote and isolated areas. These new regulations will also provide clear direction and guidance on the use of heavier aircraft (up to 650 kgs), operations at higher altitudes than currently permitted in CARs, Part IX, and will set the foundation for an operator certification program. Once published, these regulations will permit routine beyond visual-line-of-sight operations without the need for the Company to request specific permission for each operation, as is currently required with the current SFOC process. The first draft of these regulations is scheduled to be published in Canada Gazette I in Q4 of 2022.

The Company is currently fully compliant with all current regulatory requirements and has applied for, and received Transport Canada approval for several SFOCs, including to test the Condor drone, which will be one of the largest drones to be flown in Canada to date. Since the last report, the Company has received it's first SFOC approval to conduct commercial flights carrying specific set of products which would generally be considered dangerous goods. The Company anticipates obtaining additional approvals to conduct future BLVOS operations in 2022.

As at the date of this AIF, the Company has received numerous SFOCs from Transport Canada in respect of locations in Ontario, Quebec and Alberta. These SFOCs have included visual line-of-sight flights, beyond visual-line-of-sight flights, carriage of dangerous goods and included several different models of the Company's drones. The Company has been in good standing with Transport Canada since starting its operations and Transport Canada has monitored several of the Company's operations.

In addition to the above regulatory activities, the Company has also been granted a licence from the Canadian Transportation Agency (the "**CT Agency**"), which is required for any air operator intending to carry cargo or passengers. The Company is the first and only publicly traded company to be granted such a licence. Although the company's original stock structure did not meet the existing CTA requirements as part of the licensing process, the CT Agency granted the Company an exemption until the company could complete a stock restructuring. Efforts to address this issue so that an exemption is no longer required are ongoing and the intent to be fully compliant by June 30, 2022.

Economic Independence

There is no one contract, service or agreement upon which the Company's business is substantially dependent.

Changes to Contracts

The Company does not anticipate that any aspect of its business to be affected in the current financial year by the renegotiation or termination of contracts.

Environmental Protection

The Company is subject to Canadian laws and regulations relating to environmental matters in all the provinces in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties. The Company is not aware of any existing environmental problems related to any of its properties that may result in material liability to the Company.

Employees

As at December 31, 2021, the Company employed 50 full-time equivalent employees, and 8 consultants. As at the date of this AIF, the Company employs approximately 58 employees and consultants.

Foreign Operations

The Company's operations are located exclusively in Canada.

Reorganizations

On June 6, 2016, the Company completed the Amalgamation, whereby Former Drone Inc. amalgamated with Subco to form Drone Inc., a wholly owned subsidiary of the Company. After completion of the Amalgamation, an aggregate of 89,291,299 Common Shares were issued and outstanding with former shareholders of Former Drone Inc. holding 60,549,885 Common Shares, representing approximately 67.8% of the outstanding Common Shares at such time and the original shareholders of the Company holding 28,741,414 Common Shares (which includes the holders of subscription receipts of the Company), representing approximately 32.2% of the outstanding Common Shares at such time.

On January 5, 2022, the Company announced that it had completed an amalgamation with its wholly-owned subsidiary, 1336099 B.C. Ltd. (formerly, Drone Delivery Canada Inc.), effective January 1, 2022. The amalgamated entity continued under the name "Drone Delivery Canada Corp." and its trading symbols will remained unchanged.

Bankruptcy and Similar Procedures

The Company is not subject to any bankruptcy, or any receivership or similar proceedings against it or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by it or any of its subsidiaries within the three most recently completed financial years or the current financial year.

RISK FACTORS

The Company's business involves numerous inherent risks as a result of the nature of the Company's business, economic trends, as well as local regulatory, social, political, environmental and economic conditions in Canada, which is the Company's predominant area of operation. As such, the Company is subject to several financial and operational risks that could have a significant impact on the ability of the Company to generate any future profitability and on its levels of operating cash flows. The Company assesses and attempts to minimize the effects of these risks through careful management and planning of its operations and hiring qualified personnel, but is subject to

a number of limitations in managing risk resulting from its current stage of development in a rapidly evolving industry.

The following are certain risk factors relating to the business carried on by the Company that prospective investors should carefully consider before deciding whether to purchase Common Shares. The Company will face a number of challenges in the development of its technology and in building its customer base. Due to the nature of the Company's business and current stage of its business, the Company may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below.

Below is a summary of the principal risks and related uncertainties facing the Company. Such risk factors could have a material adverse effect on the Company's business, prospects, financial condition and results of operations or the trading price of the Common Shares.

Risks Related to the Business of the Company

Operational Risks

The Company will be affected by a number of operational risks and the Company may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; and natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. A defect, error, sabotage or failure in the Company's technology, or involving the Company's products and/or services, could result in injury, death or property damage and significantly damage the Company's reputation. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's technologies or products, personal injury or death, environmental damage, adverse impacts on the Company's operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have a material and adverse impact on the Company's business, prospects, financial condition and results of operations. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which the Company cannot insure or which the Company may elect not to insure because of the cost. This potential lack of insurance coverage could have an adverse impact on the Company's business, prospects, results of operations and financial condition.

Regulation and Permitting

Transport Canada is responsible for establishing, managing, and developing safety and security standards and regulations for civil aviation in Canada, and includes unmanned civil aviation (drones). Civil operations include law enforcement, scientific research, or use by private sector companies for commercial purposes. The Canadian Aviation Regulations (CARs) govern civil aviation safety and security in Canada, and by extension govern operation of drones in Canada to an acceptable level of safety.

Transport Canada continues to be a leader in the development of regulations for the commercial use of RPAs, and continues to move forward rapidly with its regulatory development. It is expected that new regulations permitting low-risk beyond visual line-of-sight (BVLOS) operations be published by Transport Canada in Q4 of 2022. These rules will permit routine operations of more complex flights (including heavier aircraft, BVLOS operations, etc.) without requiring specific requirements, eliminating the need to request specific approvals for such operations. This will reduce the overall regulatory risk for such operations.

Although failure to obtain necessary regulatory approvals from Transport Canada or other governmental agencies, including the granting of certain SFOCs, or limitations put on the use of RPAs in response to public safety concerns, may prevent the Company from testing or operating its aircraft and/or expanding its sales which could have an adverse impact on the Company's business, prospects, results of operations and financial condition, it is anticipated that the advancement of Transport Canada's new regulations will mitigate these risks.

Evolving Markets

The Company's RPAS technologies are in new and rapidly evolving markets. The commercial RPAS market is in early stages of customer adoption. Accordingly, the Company's business and future prospects may be difficult to evaluate. The Company cannot accurately predict the extent to which demand for its products and services will develop and/or increase, if at all. The challenges, risks and uncertainties frequently encountered by companies in rapidly evolving markets could impact the Company's ability to do the following:

- generate sufficient revenue to obtain and/or maintain profitability;
- acquire and maintain market share;
- achieve or manage growth in operations;
- develop and renew contracts;
- attract and retain additional engineers and other highly-qualified personnel;
- successfully develop and commercially market products and services;
- adapt to new or changing policies and spending priorities of governments and government agencies; and
- access additional capital when required or on reasonable terms.

If the Company fails to address these and other challenges, risks and uncertainties successfully, its business, results of operations and financial condition would be materially harmed.

Legislative Regime

Although Transport Canada is progressing their updated RPAS regulations quickly, there is currently a limited legislation/regulatory framework in place specific to drones over 25 kg and the beyond visual line-of-sight operations of commercial drones in Canada or in the United States. All such operations are currently approved on a case-by-case basis, with company experience and safety processes being the major factors in gaining such approvals for such operations. The Company has secured the services of Canadian and United States drone regulatory experts in assessing the regulatory regimes of each county and who work with the applicable regulators to secure flight approvals. The Company continues to review the regulatory regimes in specific international jurisdictions to determine the viability of expanding operations to such other international jurisdictions. As at the date of this AIF, no significant concerns have arisen, however there can be no assurance that such jurisdictions have enacted or will enact legislation or that, if enacted, the Company will be permitted or qualified to operate under such legislation. See *"Risk Factors"* in this AIF.

Based on the regulatory development efforts on a global level, the Company's business plan with respect to United States and other international activities assumes a flexible legislative regime in such jurisdictions that allows such plans to be realized. If the Company cannot expand its operations in the United States or other international jurisdictions through local partners or otherwise or cannot fulfill its international business plan within the timeframes established by the Company, it could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

Transaction Risk

The Company has set out in this AIF information about potential future transactions of the Company, including information about potential commercial agreements with several third parties, including significant entities in the retail industry, the logistics courier industry, the medical field, and governmental or service providing organizations, and certain foreign third parties. There is no assurance that definitive agreements in respect of these commercial understandings will be reached, or that these transactions will be completed. The completion of a transaction is subject to many contingencies, including negotiation of the terms of a definitive agreement; receipt of any corporate, third party, regulatory and other consents; and ability to complete the transaction in accordance with the requirements of applicable law, including the laws of foreign jurisdictions. If the Company does not complete the transactions or any one of the transactions described herein,

the Company will not be able to realize any anticipated benefit of such transaction or transactions. Moreover, management of the Company will have spent substantial time and resources in connection with such transactions, at an opportunity cost to the Company. In addition, even if a transaction is completed, there can be no assurance that the Company will be able to capitalize on the anticipated benefits of such transaction (including the generation of revenues for the Company), or that such transaction will be accretive to the Company or its results of operations or financial position. Failure to complete any transaction, failure to complete such transaction on the terms and conditions currently contemplated, or failure to realize the anticipated benefits of a transaction could each have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

Industry Growth

The Company relies on industry experts and research reports to predict the potential in the drone delivery market. If such analysts have not predicted the market correctly, it can have an adverse effect on the Company's targeted customer and revenue base. As the drone industry is an evolving industry, the Company cannot accurately predict the future growth rates or sizes of these markets. Demand for these types of products and services may not increase, or may decrease, either generally or in specific markets, for particular types of products or during particular time periods. Although the Company plans to seek to expand its customer base in the future to potentially include foreign countries, governments, consumer, and commercial customers, there can be no assurance that such efforts will be successful. The expansion of the drone delivery markets in general, and the market for the Company's products and services in particular, depends on a number of factors, including but not limited to the following:

- customer satisfaction with these types of products and services;
- the cost, performance and reliability of the Company's products and services and products and services offered by competitors;
- customer perceptions regarding the effectiveness and value of these types of products and services;
- limitations on the Company's ability to market its products and services; and
- obtaining timely regulatory approvals.

Uncertainty of New Business Models

Forecasting the revenues and profitability for new business models is inherently uncertain and volatile. The Company's actual revenues and profits for its business models may be significantly less than the Company's forecasts. Additionally, these new business models could fail for one or more of the Company's products and/or services, resulting in the loss of the Company's investment in the development and infrastructure needed to support the new business models.

Speed of Introduction of Products and Services to the Marketplace

The Company's business is dependent on the speed with which it introduces its products and services to the market. The introduction of the Company's products and services to the market is inherently difficult to manage and keep on schedule, and there can be no assurance that the Company will be able to meet its development objectives or to meet market expectations. The Company may experience substantial delays in completing the development of its products and services which could negatively impact the Company's competitiveness in the market.

Undetected Flaws

There can be no assurance that, despite testing by the Company, flaws will not be found in the Company's products and services, resulting in loss of or delay in market acceptance. The Company may be unable, for technological or other reasons, to introduce products and services in a timely manner or at all in response to changing customer requirements. In addition, there can be

no assurance that while the Company is attempting to finish the development of its technologies, products and services, a competitor will not introduce similar or superior technologies, products and services, thus diminishing the Company's advantage, rendering its technologies, products and services partially or wholly obsolete, or at least requiring substantial re-engineering in order to become commercially acceptable. Failure by the Company to maintain technology, product and service introduction schedules, avoid cost overruns and undetected errors, or introduce technologies, products and services that are superior to competing technologies, products and services would have a materially adverse effect on the Company's business, prospects, financial condition, and results of operations.

Risks of Operation in Urban Areas

Although the Company currently operates in remote, rural and suburban areas, it may in the future expand operation to urban centres. Urban environments may present increased complexity and certain challenges to the operators of RPAS. Although the regulators' primary aim when issuing flight approvals is to ensure the operation is conducted safely, there remains a remote chance that RPAS may accidentally collide with other aircrafts, persons or property, which could result in injury, death or property damage and create potential liability for the Company. There can be no assurance that the Company's design of its drone delivery system or the manner in which it is used, will not result in the Company being held liable should its products and services cause any such injury, death or property damage.

Marketing Risks

The Company believes that brand recognition is an important factor to its success. If the Company fails to promote its brands successfully, or if the expenses of doing so are disproportionate to any increased net sales it achieves, it would have a material adverse effect on the Company's business, prospects, financial condition and results of operations. This will depend largely on the Company's ability to maintain trust, be a technology leader, and continue to provide high-quality and secure technologies, products and services. Any negative publicity about the Company or its industry, the quality and reliability of the Company's technologies, products and services, the Company's risk management processes, changes to the Company's technologies, products and services, its ability to effectively manage and resolve customer complaints, its privacy and security practices, litigation, regulatory activity, and the experience of sellers and buyers with the Company's products or services, could adversely affect the Company's reputation and the confidence in and use of the Company's technologies, products and services. Harm to the Company's brand can arise from many sources, including; failure by the Company or its partners to satisfy expectations of service and quality; inadequate protection of sensitive information; compliance failures and claims; litigation and other claims; employee misconduct; and misconduct by the Company's partners, service providers, or other counterparties. If the Company does not successfully maintain a strong and trusted brand, its business could be materially and adversely affected.

Geographical Expansion

The Company faces challenges in expanding into new geographic regions. The Company currently operates in Canada and it plans to commence operations in the United States, but may in the future seek to expand its presence in new geographic regions. Any international expansion of the Company's technologies, products and services will expose the Company to risks relating to staffing and managing cross-border operations; increased costs and difficulty protecting intellectual property and sensitive data; tariffs and other trade barriers; differing and potentially adverse tax consequences; increased and conflicting regulatory compliance requirements, including with respect to data privacy and security; lack of acceptance of the Company's technologies, products and services; challenges caused by distance, language, and cultural differences; exchange rate risk; and political instability. Accordingly, any efforts by the Company to expand its operations may not be successful, which could limit the Company's ability to grow its business.

Limited Operating History

The Company has a limited operating history on which to base an evaluation of its business, financial performance and prospects. As such, the Company's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in a relatively early stage of operation and development. As the Company is introducing new products, its revenues may be materially affected by the decisions, including timing decisions, of a relatively consolidated customer base. In addition, it is also difficult to evaluate the viability of drone technology because the Company has had limited experience to address the risks, expenses and difficulties frequently encountered by companies operating in their early stage of operation and development, particularly companies in new and rapidly evolving markets such as the Company's target markets. There can be no assurance that the Company will be successful in addressing these risks, and the failure to do so in any one area could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

Substantial Capital Requirements

Management of the Company anticipates that it may make substantial capital expenditures for the acquisition, exploration, development and production of its drone logistics technology in the future and the cash generated from its operating activity is not currently sufficient to cover such expenses. In addition, there can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on its business, prospects, financial condition, results of operations or prospects. In particular, failure to obtain financing on a timely basis could cause the Company to forfeit its interest in certain business opportunities, miss certain acquisition opportunities and reduce or terminate operations.

History of Losses

The Company has incurred net losses from the inception of its business until the date of this AIF. The Company provides no assurance that it can become profitable or avoid net losses in the future or that there will be any earnings or revenue for any future quarterly or other periods. The Company expects that its operating expenses will increase as it grows its business, including expending substantial resources for research and development and marketing. As a result, any decrease or delay in generating revenues could result in material operating losses.

Negative Operating Cash Flow

During the financial year ended December 31, 2020, the Company had negative operating cash flow because its revenues did not exceed its operating expenses. In addition, as a result of the Company's business plans for the development of its services, the Company expects cash flow from operations to be negative until revenues improve to offset its operating expenditures. The Company's cash flow from operations may be affected in the future by expenditures incurred by the Company to continue to develop its products and services.

Reliance on Management and Key Employees

The Company's future success depends substantially on the continued services of its executive officers and its key development personnel, including members of the Advisory Board. If one or more of its executive officers, key development personnel or Advisory Board members were unable or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. In addition, if any of its executive officers or key employees joins a competitor or forms a competing company, the Company may lose know-how, key professionals and staff members as well as business partners. These executive officers and key employees could develop drone logistics technology that could compete with and take customers, market share and market opportunity away from the Company.

Management of Growth

The Company may experience a period of significant growth in the number of personnel which will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Company's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

COVID-19

At the beginning of year 2020 the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions.

Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could materially and adversely affected the business of the Company. The Company cannot accurately predict the future impact COVID-19 may have on, among others, the: (i) global oil prices, (ii) demand for drone delivery services, (iii) severity and the length of potential measures taken by governments to manage the spread of the virus and their effect on labour availability and supply lines, (iv) availability of essential supplies, (v) purchasing power of the Canadian dollar, or (vi) ability of the Company to obtain funding. At the date of this AIF, the Canadian government has not introduced measures which specifically impede the activities of the Company. The Company believes that the business of the Company will continue as presently conducted and contemplated and, accordingly, the current situation created by the COVID-19 outbreak does not affect the business of the Company. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in the future.

Risks Associated with Operations in Other Countries

The Company's primary revenues are currently achieved in Canada. However, the Company may expand to markets outside of Canada and become subject to risks normally associated with conducting business in other countries. As a result of such expansion, the Company may be subject to the legal, political, social and regulatory requirements and economic conditions of foreign jurisdictions.

The Company's business in foreign markets will require it to respond to rapid changes in market conditions in these countries. The Company's overall success as an international business depends, in part, on the Company's ability to succeed in differing legal, regulatory, economic, social and political conditions. If the Company is not able to develop and implement policies and strategies that are effective in each location in which it does business, then the Company's business, prospects, results of operations and financial condition could be materially and adversely affected.

Risks Associated with Potential Operations in the United States

On February 14, 2012, the *FAA Modernization and Reform Ac*t of 2012 was enacted, establishing various deadlines for the Federal Aviation Administration ("**FAA**") to allow expanded use of small UAS for both public and commercial applications. On June 21, 2016, the FAA released its final rules regarding the routine use of certain small UAS (under 55 pounds) in US airspace. The rules, which became effective in August 2016, provided safety regulations for UAS conducting non

recreational operations and contain various limitations and restrictions for such operations, including a requirement that operators keep UAS within visual-line-of-sight and prohibiting flights over unprotected people on the ground who are not directly participating in the operation of the UAS. Furthermore, UAS operations at night are not generally permitted. Operation of UAS outside of these regulatory parameters may be permissible with a waiver issued by the FAA. As of April 21, 2021 the FAA has expanded the sUAS regulations to permit flight over people and at night. The new flight over people rules require a parachute or an airworthiness certificate.

However, waivers for beyond visual line-of-sight of the pilot for the purpose of for hire cargo delivery are not permitted under the 14 CFR Part 107 regulations. Cargo delivery requires compliance with the 14 CFR Part 135 air carrier rules if the delivery is carrying the cargo belonging to a third party (i.e., “for hire”). Cargo transportation of company owned material by the company can be performed under the 14 CFR Part 107 Regulations. The 14 CFR Part 135 and the new flight over people Part 107 rules require an aircraft with an airworthiness certificate that necessitates the Company's aircraft obtain a Type Certificate and Production Certificate issued by the FAA. The FAA is permitting small UAS to obtain a Type Certificate using a streamlined process that allows demonstration of reliability instead of a comprehensive traditional design approval. However, Production Certification will follow the traditional manned aircraft regulations that include the requirement for final assembly in the US. The current FAA air carrier regulations also prohibit foreign ownership so the Company will be required to partner with a US owned Part 135 operators.

As in Canada, potential limitations put on the use of small UAS in response to safety and/or public privacy concerns or failure to obtain necessary regulatory approvals from the FAA or other governmental agencies may limit the attractiveness of, or prevent the Company from, expanding operations into the United States. This could have a material adverse effect on the Company's business prospects, financial condition, and operating results.

Risks Associated with Acquisitions

As part of the Company's overall business strategy, the Company may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: the integration of new operations, services and personnel; unforeseen or hidden liabilities; the diversion of resources from the Company's existing business and technology; potential inability to generate sufficient revenue to offset new costs; the expenses of acquisitions; or the potential loss of or harm to relationships with both employees and customers resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Electronic Communication Security Risks

A significant potential vulnerability of electronic communications is the security of transmission of confidential information over public networks. Anyone who is able to circumvent the Company's security measures could misappropriate proprietary information or cause interruptions in its operations. The Company may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

Insurance Coverage

The Company requires insurance coverage for a number of risks, including business interruption, environmental matters and contamination, personal injury and property damage as well as general aviation liability coverage. Although the Company maintains insurance policies, it cannot provide assurance that this insurance will be adequate to protect the Company from all material judgments and expenses related to potential future claims or that these levels of insurance will be available in the future at economical prices or at all. A successful product liability claim could result in substantial cost to the Company. If insurance coverage is unavailable or insufficient to cover any such claims, the Company's financial resources, results of operations and prospects could be adversely affected.

Even if the Company is fully insured as it relates to a claim, the claim could nevertheless diminish the Company's brand and divert management's attention and resources, which could have a negative impact on the Company's business, prospects, financial condition and results of operations.

Tax Risk

The Company is considered to have been carrying on business in Canada for purposes of the *Income Tax Act* (the "**Tax Act**"). However, the Company will be operating in a new and developing industry. There is risk that governments may look to increase their tax revenues or levy additional taxes to level the playing field for perceived disadvantages to the traditional brick and mortar business model. There is no guarantee that governments will not impose such additional adverse taxes in the future.

Currency Fluctuations

Due to the Company's present operations, and its potential intention to have future operations in jurisdictions outside Canada, the Company may be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. Fluctuations in the exchange rate between the U.S. dollar and other currencies, such as the Canadian dollar, may have a material adverse effect on the Company's business, prospects, financial condition and operating results in the future. The Company intends to continue to expand operations globally so it may be subject to additional gains and losses against additional currencies. The Company does not currently have a foreign exchange hedging program in place. However, in the future, it may establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Company develops a hedging program, it may not hedge its entire exposure to any one foreign currency and it may not hedge its exposure at all with respect to certain foreign currencies.

Conflicts of Interest

Because directors and officers of the Company are or may become directors or officers of other companies or have significant shareholdings in other technology companies, the directors and officers of the Company may have a conflict of interest in conducting their duties. The Company and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms in accordance with applicable corporate law. In appropriate cases the Company will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

Competitive Markets

The Company faces competition and new competitors will continue to emerge throughout the world. Services and technologies offered by the Company's competitors may take a larger share of consumer spending than anticipated, which could cause revenue generated from the Company's technologies, products and services to fall below expectations. It is expected that competition in the Company's markets will intensify. If competitors of the Company develop and market more successful technologies, products or services, offer competitive products or services at lower price points, or if the Company does not produce consistently high-quality and well-received technologies, products and services, revenues, margins, and profitability of the Company will decline.

The Company's ability to compete effectively will depend on, among other things, the Company's pricing of services, quality of customer service, development of new and enhanced technologies, products and services in response to customer demands and changing technology, reach and quality of sales and distribution channels and capital resources. Competition could lead to a reduction in the rate at which the Company adds new customers, a decrease in the size of the Company's market share and a decline in its customers. In addition, the Company could face increased competition should there be an award of additional licences in jurisdictions in which the Company operates.

Uncertainty and Adverse Changes in the Economy

Adverse changes in the economy could negatively impact the Company's business. Future economic distress may result in a decrease in demand for the Company's technologies, products and services, which could have a material adverse impact on the Company's operating results and financial condition. Uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing products, increase the cost and decrease the availability of sources of financing, and increase the Company's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Company.

Reliance on Components and Raw Materials

The Company obtains hardware components, various subsystems and systems, and raw materials from a limited group of suppliers. The Company does not have long-term agreements with any of these suppliers that obligate such suppliers to continue to sell components, subsystems, systems or products to the Company. The Company's reliance on these suppliers involves significant risks and uncertainties, including whether suppliers will provide an adequate supply of required raw materials, components, subsystems, or systems of sufficient quality, will increase prices for the raw materials, components, subsystems or systems and will perform their obligations on a timely basis.

In addition, certain raw materials and components used in the manufacture of the Company's products are periodically subject to supply shortages, and the Company's business is subject to the risk of price increases and periodic delays in delivery. Similarly, the market for electronic components is subject to cyclical reductions in supply. If the Company is unable to obtain components from third-party suppliers in the quantities and of the quality that it requires, on a timely basis and at acceptable prices, then it may not be able to deliver its products on a timely or cost-effective basis to its customers, which could cause customers to terminate their contracts with the Company, increase the Company's costs and seriously harm its business, results of operations and financial condition. Moreover, if any of the Company's suppliers become financially unstable, then it may have to find new suppliers. It may take several months to locate alternative suppliers, if required, or to redesign the Company's products to accommodate components from different suppliers. The Company may experience significant delays in manufacturing and shipping its products to customers and incur additional development, manufacturing and other costs to establish alternative sources of supply if the Company loses any of these sources or is required to redesign its products. The Company cannot predict if it will be able to obtain replacement components within the time frames that it requires at an affordable cost, if at all.

Change in Technology

Continuing technological changes related the Company's products and services could make its products and services less competitive or obsolete, either generally or for particular applications. The Company's future success will depend upon its ability to develop and introduce a variety of new capabilities and enhancements to its existing product offerings, as well as introduce a variety of new product offerings, to address the changing needs of the markets in which it offers products. Delays in introducing new products and enhancements, the failure to choose correctly among technical alternatives or the failure to offer innovative products or enhancements at competitive

prices may cause existing and potential customers to purchase the products and services from the Company's competitors.

If the Company is unable to devote adequate resources to develop new products or cannot otherwise successfully develop new products and services or enhancements that meet customer requirements on a timely basis, its products and services could lose market share, its revenue and profits could decline, and the Company could experience operating losses.

Quality of Products and Services

Products and services designed and published by the Company involve extremely complex software programs, and are difficult to develop and distribute. While the Company has quality controls in place to detect defects in its products and services before they are released, these quality controls are subject to human error, overriding, and reasonable resource constraints. Therefore, these quality controls and preventative measures may not be effective in detecting defects in the Company's products and services before they have been released into the marketplace. In such an event, the Company could be required to or may find it necessary to voluntarily suspend the availability of the product or service, which could significantly harm its business and operating results.

Maintenance of Technology Infrastructure

As the Company continues to develops its products and services, it expects to continue to invest in technology services, hardware and software, which may include data centers, network services, storage and database technologies to support existing services and to introduce new products and services including websites. Creating the appropriate support for online business initiatives is expensive and complex, and the Company's execution could result in inefficiencies or operational failures, and increased vulnerability to cyber-attacks, which, in turn, could diminish the quality of its products, services, and user experience. Cyber-attacks could include denial-of-service attacks impacting service availability and reliability; the exploitation of software vulnerabilities in Internet-facing applications; social engineering of system administrators (tricking company employees into releasing control of their systems to a hacker); the introduction of malware into the Company's systems with a view to steal confidential or proprietary data; or attempts to hijack consumer account information. Cyber-attacks of increasing sophistication may be difficult to detect and could result in the theft of the Company's intellectual property and consumer data, including personally identifiable information. Operational failures or successful cyber-attacks could result in damage to the Company's reputation and loss of current and potential users, subscribers, advertisers, and other business partners which could harm its business.

Privacy Protection

There are several inherent risks to engaging in business online and directly with the end consumers of the Company's products and services. As the Company conducts more transactions online directly with consumers, it may be the victim of fraudulent transactions, including credit card fraud, which presents a risk to its revenues and potentially disrupts service to its consumers. In addition, the Company will collect and store consumer information, including personal information and credit card information. While the Company intends to take measures to protect its consumer data from unauthorized access or disclosure, it is possible that its security controls over consumer data may not prevent the improper access or disclosure of personally identifiable information. A security breach that leads to disclosure of consumer account information (including personally identifiable information) could harm the Company's reputation, compel it to comply with disparate breach notification laws in various jurisdictions and otherwise subject the Company to liability under laws that protect personal data, resulting in increased costs or loss of revenue. A resulting perception that the Company's products or services do not adequately protect the privacy of personal information could result in a loss of current or potential consumers and business partners for its online offerings that require the collection of consumer data.

In addition, the rate of privacy law-making is accelerating globally and interpretation and application of consumer protection and data privacy laws in Canada, the United States, Europe and elsewhere are often uncertain, contradictory and in flux. As business practices are being challenged by regulators, private litigants, and consumer protection agencies around the world, it is possible that these laws may be interpreted and applied in a manner that is inconsistent with the Company's data and/or consumer protection practices. If so, this could result in increased litigation, government or court imposed fines, judgments or orders requiring that the Company change its practices, which could have an adverse effect on its business and reputation. Complying with these various laws could cause the Company to incur substantial costs or require it to change its business practices in a manner adverse to its business.

Development Costs

The Company's future growth depends on penetrating new markets, adapting existing products to new applications, and introducing new products and services that achieve market acceptance. The Company plans to incur substantial research and development costs as part of its efforts to design, develop and commercialize new products and services and enhance existing products. The Company believes that there are significant investment opportunities in a number of business areas. Because the Company accounts for research and development as an operating expense, these expenditures will adversely affect its earnings in the future. Further, the Company's research and development programs may not produce successful results, and its new products and services may not achieve market acceptance, create additional revenue or become profitable, which could materially harm the Company's business, prospects, financial results and liquidity.

Product Defects

The Company's RPAS rely on complex avionics, sensors, interfaces and tightly-integrated, electromechanical designs to accomplish their missions. Despite testing, the Company's products have contained defects and errors and may in the future contain defects, errors or performance problems when first introduced, when new versions or enhancements are released, or even after these products have been used by the Company's customers for a period of time. These problems could result in expensive and time-consuming design modifications or warranty charges, delays in the introduction of new products or enhancements, significant increases in the Company's service and maintenance costs, exposure to liability for damages, damaged customer relationships and harm to the Company's reputation, any of which could materially harm the Company's business, prospects, financial condition and results of operations and ability to achieve market acceptance. In addition, increased development and warranty costs could be substantial and could reduce or eliminate any of the Company's future operating margins.

The existence of any defects, errors, or failures in the Company's products or the misuse of the Company's products could also lead to product liability claims or lawsuits against it. A defect, error or failure in one of the Company's RPAS could result in injury, death or property damage and significantly damage the Company's reputation and support for its RPAS in general. The Company anticipates this risk will grow as its RPAS begins to be used in Canadian domestic airspace and urban areas. The Company's RPAS test systems also have the potential to cause injury, death or property damage in the event that they are misused, malfunction or fail to operate properly due to unknown defects or errors.

Insufficient Research and Development Funding

The Company depends on its research and development activities to develop the core technologies used in its RPAS products and for the development of the Company's future products. . Canadian government and commercial spending levels can be impacted by a number of variables, including general economic conditions, specific companies' financial performance and competition for Canadian government funding with other Canadian government-sponsored programs in the budget formulation and appropriation processes.

Uncertainty Related to Exportation

The Company must comply with Canadian federal and provincial laws regulating the export of its products. In some cases, explicit authorization from the Canadian government is needed to export certain products. The export regulations and the governing policies applicable to the Company's business are subject to change. The Company cannot provide assurance that such export authorizations will be available for its products in the future. Compliance with these laws has not significantly limited the Company's operations, but could significantly limit them in the future. Non-compliance with applicable export regulations could potentially expose the Company to fines, penalties and sanctions. If the Company cannot obtain required government approvals under applicable regulations, the Company may not be able to sell its products in certain international jurisdictions, which could adversely affect the Company's business, prospects, financial condition and results of operations.

Legal Proceedings

The Company may, from time to time in the future, become subject to legal proceedings, claims, litigation and government investigations or inquiries, which could be expensive, lengthy and disruptive to normal business operations. In addition, the outcome of any legal proceedings, claims, litigation, investigations or inquiries may be difficult to predict and could have a material adverse effect on the Company's business, prospects, operating results or financial condition.

Reliance on Business Partners

The Company relies on various business partners, including third-party service providers, vendors, licensing partners, development partners, and licensees, among others, in many areas of the Company's business. In many cases, these third parties are given access to sensitive and proprietary information in order to provide services and support to the Company's teams. These third parties may misappropriate or disclose the Company's information and engage in unauthorized use or disclosure of it. The failure of these third parties to provide adequate services and technologies, or the failure of the third parties to adequately maintain or update their services and technologies, could result in a disruption to the Company's business operations. Further, disruptions in the financial markets and economic downturns may adversely affect the Company's business partners and they may not be able to continue honoring their obligations to the Company. Alternative arrangements and services may not be available to the Company on commercially reasonable terms, or at all, or the Company may experience business interruptions upon a transition to an alternative partner or vendor. If the Company loses one or more significant business partners, the Company's business could be harmed.

Unfavorable Publicity or Public Perception

The drone industry has increasingly become and is expected to continue to become subject to media attention and other publicity. Public perception can be significantly influenced by media attention, regulatory investigations, litigation and other publicity regarding drones or the drone industry. Adverse publicity reports or other media attention regarding drones could hinder market growth or result in negative public perception of drones or companies that operate in the drone industry, which in turn could have a material adverse effect on the Company's business, prospects, operating results, or financial condition.

Protection of Intellectual Property Rights

The Company's success depends, in large part, on its ability to protect its intellectual property and other proprietary rights. The Company may rely on patents, trademarks, copyrights, trade secrets and unfair competition laws, as well as license agreements and other contractual provisions, to protect the Company's intellectual property and other proprietary rights. However, a significant portion of the Company's technology is not patented, and the Company may be unable or may not seek to obtain patent protection for this technology. Moreover, existing Canadian legal standards relating to the validity, enforceability and scope of protection of intellectual property rights offer only

limited protection, may not provide the Company with any competitive advantages, and may be challenged by third parties. The laws of countries other than Canada may be even less protective of intellectual property rights. Accordingly, despite its efforts, the Company may be unable to prevent third parties from infringing upon or misappropriating its intellectual property or otherwise gaining access to the Company's technology. Unauthorized third parties may try to copy or reverse engineer the Company's products or portions of its products or otherwise obtain and use the Company's intellectual property. Moreover, the Company's employees may have access to the Company's trade secrets and other intellectual property. If one or more of these employees leave to work for one of the Company's competitors, then they could improperly disclose this proprietary information, which may as a result damage the Company's competitive position. If the Company fails to protect its intellectual property and other proprietary rights, then the Company's business, results of operations or financial condition could be materially harmed. From time to time, the Company may have to initiate lawsuits to protect its intellectual property and other proprietary rights. Pursuing these claims is time consuming and expensive and could adversely impact the Company's business, prospects, financial condition and results of operations.

In addition, affirmatively defending the Company's intellectual property rights and investigating whether the Company is pursuing a product or service development that may violate the rights of others may entail significant expense. Any of the Company's intellectual property rights may be challenged by others or invalidated through administrative processes or litigation. If the Company resorts to legal proceedings to enforce its intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, then the proceedings could result in significant expense to the Company and divert the attention and efforts of the Company's management and technical employees, even if the Company prevails.

Infringement by the Company of Intellectual Property Rights

The Company may become subject to claims that its technologies infringe upon the intellectual property or other proprietary rights of third parties. Any claims, with or without merit, could be time-consuming and expensive, and could divert the Company's management's attention away from the execution of its business plan. Moreover, any settlement or adverse judgment resulting from these claims could require the Company to pay substantial amounts or obtain a license to continue to use the disputed technology, or otherwise restrict or prohibit the Company's use of the technology. The Company cannot assure that it would be able to obtain a license from the third party asserting the claim on commercially reasonable terms, if at all; that the Company would be able to develop alternative technology on a timely basis, if at all; or that the Company would be able to obtain a license to use a suitable alternative technology to permit the Company to continue offering, and the Company's customers to continue using, the Company's affected products and services. An adverse determination also could prevent the Company from offering its products and services to others. Infringement claims asserted against the Company may have a material adverse effect on its business, products, results of operations or financial condition.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy and financial markets. Russia's recent invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices and global economies more broadly. Volatility in commodity prices may adversely affect our business, financial condition and results of operations. Reductions in commodity prices may affect oil and natural gas activity levels and therefore adversely affect the demand for, or price of, our services.

The extent and duration of the current Russian-Ukrainian conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this AIF, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including

on our shareholders and counterparties on which we rely and transact with, may materialize and may have an adverse effect on our business, results of operation and financial condition.

Risks Related to the Securities of the Company

Resale of Shares

There can be no assurance that the publicly-traded market price of the Common Shares will be high enough to create a positive return for shareholders. Further, there can be no assurance that the Common Shares will be sufficiently liquid so as to permit shareholders to sell their equity position in the Company without adversely affecting the stock price. In such event, the probability of resale of the Common Shares would be diminished.

As well, the continued operation of the Company will be dependent upon its ability to procure additional financing in the short term and to generate operating revenues in the longer term. There can be no assurance that any such financing can be obtained or that revenues can be generated. If the Company is unable to obtain such additional financing or generate such revenues, shareholders may be unable to sell their Common Shares and any investment in the Company may be lost.

Market for Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility. An active public market for the Common Shares might not develop or be sustained. If an active public market for the Common Shares does not develop or, if one develops, if it is not sustained, the liquidity of a shareholder's investment in the Common Shares may be limited and the share price may decline.

Dividends

To date, the Company has not paid any dividends on its outstanding Common Shares and presently has no intention of paying dividends. Any decision to pay dividends on the Common Shares will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility and access to financial markets has been restricted. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. If these levels of volatility and market instability continue, the Company's operations could be adversely impacted and the value and the price of the Common Shares could continue to be adversely affected.

DIVIDENDS AND DISTRIBUTIONS

The Company has never paid any dividends or distributions on any of its securities and presently has no intention of paying dividends. The future dividend policy will be determined by the Board on the basis of earnings, financial requirements and other relevant factors.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As at December 31, 2021, there were 224,199,012 Common Shares issued and outstanding, and as of the date hereof there are 224,199,012 Common Shares issued and outstanding.

All of the Common Shares are of the same class and, once issued, rank equally as to entitlement to dividends, voting powers (one vote per Common Share) and participation in assets of the Company upon dissolution or winding up. No Common Shares have been issued subject to call or assessment.

The Common Shares contain no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a securityholder to contribute additional capital.

Warrants

The Company currently has the following warrants outstanding, each such warrant exercisable for one Common Share, on the terms set out below:

Number of Warrants	Exercise Price	Expiry Date
5,506,050	$0.95	August 5, 2022
6,930,630	$1.20	December 22, 2022

Compensation Warrants

The Company currently has the following compensation warrants outstanding, each such compensation warrant being exercisable for one Common Share and one half of one Common Share purchase warrant of the Company, on the terms set out below:

Number of Compensation Warrants	Exercise Price	Expiry Date
436,425	$0.70	August 5, 2022
658,812	$0.88	December 22, 2022

Stock Options

The Company currently has the following stock options outstanding, each such stock option exercisable for one Common Share, on the terms set out below:

Number of Stock Options	Exercise Price	Expiry Date
600,000	$0.50	July 20, 2022
420,000	$1.00	January 5, 2023
1,575,000	$1.80	March 2, 2023
2,041,670	$1.00	August 30, 2024
2,120,001	$0.70	September 24, 2025
720,000	$0.70	November 9, 2025
200,000	$1.70	February 2, 2026
100,000	$1.66	March 4, 2026

Stock Option Plan

Options outstanding were issued pursuant to the Company's stock option plan (the "**Stock Option Plan**"). The Stock Option Plan permits the reservation of up to 17,925,508 Common Shares at any given time. The number of Common Shares reserved for issue shall not exceed (i) five percent of the issued and outstanding Common Shares to any one individual in any 12 month period; (ii) two percent of the issued and outstanding Common Shares to any one consultant retained by the Company in any 12 month period; or (iii) two percent of the issued and outstanding Common Shares to any one employee of the Company conducting "Investor Relations Activities" in any 12 month period. The Board determines the price per Common Share and the number of Common Shares which may be allotted to each director, officer, employee and consultant and all of other terms and conditions of the stock option, subject to the rules of the TSXV. The exercise price per Common Share set by the Board shall not be less than the discounted market price of the Common Shares trading on the TSXV or such other principal market on which the Common Shares are traded at the applicable time. Stock options under the Stock Option Plan are non-assignable. Stock options must be exercised within 90 days of termination of employment or cessation of position with the Company, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death, the stock option must be exercised within 12 months after such death, subject to the expiry of such stock option.

MARKET FOR SECURITIES

Trading Price and Volume

Common Shares

The following table sets out the high and low closing market prices and the volume traded of the Common Shares on the TSXV for each month of the financial year ended December 31, 2021:

2021	HIGH ($)	LOW ($)	VOLUME
January	1.59	0.82	62,661,432
February	2.55	1.33	104,147,528
March	1.95	1.30	32,649,933
April	1.55	1.07	20,214,306
May	1.42	1.13	10,530,819
June	1.27	1.08	9,521,954
July	1.45	1.07	15,343,683
August	1.37	1.17	8,303,015
September	1.19	0.92	7,850,904
October	1.08	0.86	6,843,907
November	1.00	0.81	6,869,022
December	0.94	0.74	5,702,669

Prior Sales

The following table summarizes details of all issuances of securities of the Company, other than Common Shares, in the year ended December 31, 2021, being the most recently completed financial year of the Company:

Security	Number of Securities	Issue/Exercise Price per Security ($)	Date of Issue
Stock Options[(1)]	200,000	1.70	February 4, 2021
Stock Options[(1)]	100,000	1.70	March 4, 2021

Notes:

(1) The stock options are exercisable at a price of $1.70 per Common Share for a period of five years.

ESCROWED SECURITIES

There are no securities of the Company subject to escrow provisions.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets forth all current directors and executive officers of the Company as at the date hereof, their principal occupations or employment, the period or periods of service, and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof. The Board currently consists of seven directors, to be elected annually. The term of office of each director will be from the date of the meeting at which he or she is elected until the next annual meeting, or until his or her successor is elected or appointed.

Name, Province and Country of Residence, Position	Position Since	Number of Common Shares Beneficially Owned[(1)(2)]	Principal Occupation During Past Five Years
Steve Magirias Ontario, Canada Chief Executive Officer	February 22, 2022	Nil 0%	Chief Executive Officer of the Company. Prior thereto, Mr. Magirias worked with both mature and well-established organizations as well as nimble entrepreneurial companies. He has a background in manufacturing, product development, quality control and operations in wholesale, retail and direct to consumer markets for companies like Curtiss Wright - Indal Technologies and Husky Injection Molding, coupled with an engineering degree and an MBA focused on strategic development.
Manish Arora Ontario, Canada Chief Financial Officer	September 8, 2020	10,166 0.0045%	Chief Financial Officer of the Company. Prior thereto, Mr. Arora was Corporate Controller of the Company since August 2019. He previously served as Corporate Controller for Cardinal Health Canada, a medical and surgical products provider, from August 2017 to August 2019. Prior thereto, he was Manager & Senior Manager Financial Reporting with Martinrea International Inc., an auto parts manufacturer from April 2013 to August 2017.
Steve Bogie[(7)] Ontario, Canada Vice President – Flight Operations and Technology	November 9, 2020	Nil 0%	Vice President – Flight Operations and Technology of the Company. Prior thereto, was the Principal of SMB Consulting, a firm specializing in aviation and IT consulting from June 2020 to November 2020. Prior thereto, was Managing Director, IT from January 2011 to May 2020 with Air Canada.
Chris Irwin[(3)] Ontario, Canada Director	May 31, 2016	425,000[(5)] 0.19%	Corporate and Securities Lawyer, and Partner of Irwin Lowy LLP.

Name, Province and Country of Residence, Position	Position Since	Number of Common Shares Beneficially Owned[1][2]	Principal Occupation During Past Five Years
Michael Della Fortuna Ontario, Canada Director	May 31, 2016	20,000 0.0089%	Director of Former Drone Inc. since 2014. Chief Executive Officer of Nexeya Canada, a company that designs, manufactures and supports embedded, stand-alone and ground equipment products, integrated systems and system support services for a variety of capital intense and mission critical environments, and partner of nCompass Financial, a finance firm.
Kevin Sherkin[3] Ontario, Canada Director	February 25, 2019	15,000 0.0067%	Mr. Sherkin is a partner at Miller Thomson LLP, a Canadian national law firm. Prior thereto, he was a founding member and managing director of Levine Sherkin Boussidan Professional Corporation, a law firm.
Vijay Kanwar Ontario, Canada Director	June 10, 2019	Nil 0%	Mr. Kanwar formerly served as Chair of the Board for the Greater Toronto Airport Authority. Mr. Kanwar is Co-Founder of KMH Cardiology and Diagnostics Centres, a provider of nuclear cardiology in North America. Mr. Kanwar is the Chief Executive Officer of Lambardar Group Inc. and Lambardar Zamindar Group Inc., which own and operate commercial real estate and medical facilities, as well as Founder and President of EHLinq Inc., which develops enterprise-level software for medical businesses. Mr. Kanwar also currently sits on the board of Business Development Canada as well as the MLSE Foundation and MLSE LaunchPad.
Debbie Fischer[4] Ontario, Canada Director	November 9, 2020	Nil 0%	Debbie Fischer, MHA, CHRE, ICD.d, is an experienced board director and has held senior leadership positions in big 4 professional consulting firms, government and hospitals. She is currently an Executive-in-Residence at the Rotman School of Management at University of Toronto and she consults on large-scale system transformation in health care and public sectors. She serves on several boards at provincial and national levels in a broad range of industries, including OMERS, North York General Hospital, OntarioMD and Prodemnity. She has served on supply chain company boards including, currently as a member of the Health Care Advisory Board of GS1 Canada, and previously, Plexxus and OECM

Name, Province and Country of Residence, Position	Position Since	Number of Common Shares Beneficially Owned[1][2]	Principal Occupation During Past Five Years
Larry Taylor[3] Ontario, Canada Director	November 9, 2020	Nil 0%	Mr. Taylor has been CEO Group Leader of CEO Global Network since 2011 and President of Taylor Made Solutions since 2009. He currently sits as a board member for Continental Bank of Canada and Swarmio Media Inc. (CSE:SWRM). Mr. Taylor is Board Chair for the Green Energy Cooperative of Ontario and Board Chair for Spark Power Group Inc. (TSX: SPG). Mr. Taylor is a Chartered Professional Accountant and a Certified Management Consultant. Mr. Taylor has previously held key senior executive positions with several companies including National Money Mart, Travelex Americas and Cap Gemini Ernst & Young Canada Inc. Mr. Taylor has experience working with private equity firms to identify, acquire and combine companies to create shareholder value

Notes:

(1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective director and or executive officer individually.

(2) Based on 224,199,012 Common Shares issued and outstanding as of the date hereof.

(3) Member of the Audit Committee.

(4) Member of the Governance and Human Resources Committee.

(5) Held by Irwin Professional Corporation, a company controlled by Mr. Irwin.

(6) The directors and executive officers of the Company, as a group, collectively beneficially own, or control or direct, directly or indirectly, 470,166 Common Shares representing 0.21% of the number of Common Shares outstanding as of the date hereof.

(7) Mr. Bogie ceased to be an officer of the Company effective April 6, 2022.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

For the purposes of this section "Order" means:

(a) a cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant company access to any exemption under securities legislation;

that was in effect for more than 30 days.

Other than as set out below, none of the directors or executive officers of the Company or any shareholder holding a sufficient number of securities of the Company to materially affect control of the Company:

(a) is, as of the date of this AIF, or has been, within 10 years before the date of this AIF, a director or executive officer of any company that:

(i) was the subject of an Order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer;

(ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person

was acting in the capacity as director, chief executive officer or chief financial officer; or

(iii) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Irwin was a director, President and Secretary of Brighter Minds Media Inc. ("**Brighter Minds**") from March 2009 to July 2014. Brighter Minds is subject to cease trade orders resulting from a failure to file financial statements as issued on May 11, 2009 by the British Columbia Securities Commission ("**BCSC**"), May 13, 2009 by the Manitoba Securities Commission, May 8, 2009 and May 20, 2009 by the OSC and August 19, 2009 by the Alberta Securities Commission. As of the date of this AIF, the cease trade orders have not been revoked or rescinded.

Mr. Irwin was a director from June 2015 to December 2017 and an officer from September 2015 to April 2016 of Blocplay Entertainment Inc. (formerly Stompy Bot Corporation) ("**Blocplay**"), which was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2016 by the BCSC and May 4, 2016 and May 16, 2016 by the OSC. These cease trade orders were revoked on July 5, 2016 by the BCSC and July 6, 2016 by the OSC. Blocplay was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2017 by the BCSC and May 4, 2017 by the OSC. These cease trade orders were revoked on July 5, 2017 by the BCSC and July 6, 2017 by the OSC.

Mr. Irwin was appointed as the President, Chief Executive President, Secretary and a director of Blocplay on September 28, 2018. Blocplay was subject to a management cease trade order resulting from a failure to file financial statements as issued on December 3, 2018 and amended on December 4, 2018 by the BCSC and December 4, 2018 by the OSC. These cease trade orders were revoked on February 6, 2019.

Mr. Irwin is a director and an officer of Intercontinental Gold and Metals Ltd. ("**Intercontinental**") which was subject to a management cease trade order resulting from a failure to file financial statements as issued by the BCSC on July 30, 2015. The cease trade order was revoked on September 22, 2015.

Mr. Irwin is a director and an officer of Intercontinental which was subject to a management cease trade order resulting from a failure to file financial statements as issued on August 2, 2018 by the BCSC. Intercontinental was subject to a cease trade order from a failure to file financial statements as issued on October 5, 2018 by the BCSC. These cease trade orders were revoked on October 9, 2018.

Mr. Irwin was a director of Wolf's Den Capital Corp., which was subject to a cease trade order issued by the BCSC and the OSC on December 5, 2019 for failure to file its condensed interim financial statements and accompanying management's discussion and analysis for the period ended September 30, 2019, within the prescribed time period under applicable securities laws. These cease trade orders were revoked on January 6, 2020.

None of the directors or executive officers of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the last 10 years, been subject to: (i) any penalties or sanctions imposed by a court relating to Canadian

securities legislation or by a Canadian securities regulatory authority or has entered a settlement agreement with a Canadian securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

There are no known existing or potential conflicts of interest among the Company and the directors and officers of the Company as a result of their outside business interests except that certain of the directors and officers may serve as directors, officers, promoters and members of management of other companies and therefore it is possible that a conflict may arise between their duties as a director and officer of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company have been advised of the existence of laws governing accountability of directors and officers regarding corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of the directors or officers. All such conflicts shall be disclosed by such directors or officers and treated in accordance with the applicable laws of British Columbia and the Company's constating documents.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company was not subject to any material legal proceedings during its most recently completed financial year, nor is the Company or any of its properties a party to or the subject of any such proceedings, and no such proceedings are known to be contemplated. The Company may be involved in routine, non-material litigation arising in the ordinary course of business, from time to time.

There were no penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority during its most recently completed financial year, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT IN MATERIAL TRANSACTIONS

To the knowledge of the management of the Company, no director or executive officer of the Company, person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the Common Shares, or any associate or affiliate of any such persons, has or had any material interest, direct or indirect, in any transaction within the Company's three most recently completed financial years or during the current financial year which has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries other than as set out herein.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent of the Company is Computershare Trust Company of Canada, having an address of 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1.

MATERIAL CONTRACTS

The Company did not enter into any material contracts during the year ended December 31, 2021 or before the year ended December 31, 2021 that is still in effect as at the date of this AIF.

EXPERTS AND INTERESTS OF EXPERTS

The auditor of the Company, D&H Group LLP, Chartered Professional Accountants, has informed the Company that it is independent with respect to the Company within the meaning of the Code of Professional Conduct of Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found through a database search at SEDAR at www.sedar.com.

Additional information on the Company, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, securities authorized for issue under equity compensation plans and audit committee disclosure, is contained in the Company's management information circular dated June 23, 2021, which may be found on SEDAR.

Additional financial information regarding the Company is provided in the Company's audited annual financial statements and management's discussion and analysis for the year ended December 31, 2021, which may be found on SEDAR.